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Buying Power Increased by Tax Reduction

Ten Million Dollars Freed Through Proposed Changes

RESULT IS COMPLEX

Banking Circles Fear that Capital Will Avoid Investment in Industrial Ventures in Future

An estimated saving of $10,000,000 to the income taxpayers of Canada is the central feature of the new budget in so far as business is concerned. The relief affects nearly 90 per cent. of the federal income tax payers. With regard the general effect of the tariff changes, business has not yet had time to grasp the full significance of the most radical budget changes since the inauguration of the national protectionist policy in 1876. Running through all the resolutions is a liberal largess to the masses at the expense, on the surface at least, of big business, so called. The tax relief offered the lower income groups exceeds all expectations—is, in fact, the first real tax reduction since the war.

The saving to the lower income groups will be especially beneficial to business since the amount of money affected by tax reductions in these groups is much greater than the total affected by increases near the top of the scale. A slightly increased burden on the large income does not mean a curtailment of expenditures. In fact, while such increases have an important investment significance, it is probable they have little or no effect on business. It is probable also that the $10,000,000 saving to the taxpayer will mean the spending of a still larger amount. The spending habit accelerates once it commences.

On the other side of the question there is a feeling in banking circles that the cancellation of the exemption which formerly existed on dividends may easily prove a check upon the investment of capital in business. It rather definitely discourages capital, both domestic and foreign, from entering into business enterprise, offering the attractive alternative of tax exempt securities and similar lines of investment where the risk is less marked. and the tax burden less onerous. This problem would probably have a more serious aspect were the present total of investable funds more limited.

Tariff Action Precipitate

The reaction of business to the tariff adjustments in so far as they concern the motor and allied industries is that the suddenness of the government's action has produced a state of chaos in these industries. The appointment of a tariff board was heralded as a guarantee of thorough consideration antecedent to any important changes. The matter was never placed before the board. There is an impression that such drastic action in relation to a group of industries involving a capital investment of nearly $100,000,000 will put a check on the flow of United States capital into Canadian industry just as the Grand Trunk and similar cases have done in connection with capital from Great Britain. Furthermore, should the manufacturers implement their threat to withdraw from the field, the cutting off of a payroll of $20,000,000 will be a serious business problem at a time when the country is just emerging from a protracted depression.

Soviet Not Paying for Goods Ordered

NEW YORK.—Orders placed abroad some months ago with much publicity by the Soviet Government have been reduced 30 to 60 per cent. The excuse now given is the deficit in the wheat crop, and the statement is made that Germany is apparently in control of the trading situation. German exporters are being paid in full on the delivery of their orders and are not being troubled with cancellations.

Representatives of United States firms who have been making investigations in Russia in recent months are coming back with reports that conditions are much worse than the outside world realizes and that more thought is still given to communistic politics than to constructive economics. Special attention is given to propaganda to injure the United States and in the British Dominions to create discontent, and in the case of the latter, with the object of eventually disrupting the Empire.

(Last August when the cables carried much news of a tremendous Russia wheat crop with 300,000,000 to 400,000,000 for export, The Financial Post warned Canadians that these stories were false, that even if Russia had a big crop, it would not be possible to get it out as practically all the interior railroads had been torn up and abandoned, and that the object was to break the prices on Canadian farmers in the interests of a British-French-German wheat pool.—Editor.)

CANADIAN BUSINESS and the BUDGET

MANY INVESTORS FIND THEIR TAX BURDEN HEAVIER

Most Owners of Stocks Suffer in Changes—Getting the Evader

NEW TAX RULINGS

"Income tax reductions all along the line" turn out to be serious income tax increases for a large number of investors. Throwing into the discard the former practice of exempting from the normal tax of 4 or 8 per cent. dividends received from Canadian companies is sufficient in the case of many hundreds of investors to over-balance the reduced rates of taxation announced. Apart from evaders, who are given new problems to think about by several regulations initiated to curb the evasion plans they have worked out, there are many people given new burdens and problems by the revised income tax schedules.

Income tax reduction, then, as effected in the budget, has been received with mixed feelings, and has not won the universal acclaim among investors that has been given it by wage and salary earners. The reason for the mixed feelings regarding the income tax revision lies in a balancing of the favorable and unfavorable points.

Points Favorable and Otherwise

These may be briefly summarized as follows:

Favorable. Definite savings for the great mass of wage earners and salaried people.

Income tax calculation simplified by cutting out sur-tax and super-tax.

Reduced sur-taxes, releasing some capital for business expansion. Wealthy men who have been paying their tax will benefit.

Tax evasion made more difficult.

Unfavorable. Tax burden made heavier on investors in stocks; driving capital out of such investments, and stimulating sale of Canadian securities to buy American securities.

Taxes increased for many investors.

Where the Taxes Go Up

Under the new income tax laws, which do not permit deduction of dividends from Canadian companies from the amount of the normal tax, the levy goes up very sharply for those whose income is largely derived from such investments.

For instance; consider a man with an income of $10,000. If this income is derived entirely from salary, professional fees or similar earnings, his tax under the new plan, assuming him to have one child, will amount to $255. Formerly it was $577.50. He is ahead if $2,000 of his income has been derived from dividends from Canadian companies; his

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ELEVEN ONTARIO BAKERIES MERGED IN NEW CONCERN

Five Million Dollars Represented in Latest Merger in Field

Ontario Bakeries is the name of the newest baking merger. Under this name, eleven bakeries situated throughout the province of Ontario, are now operating as one $5,000,000 unit. Control of the bakeries was recently purchased and the new organization has commenced to function, although none of the individual bakeries has changed its name.

Bakeries situated in Hamilton, Woodstock, Sudbury, North Bay, Midland, Barrie, Tillsonburg, Dunnville and Simcoe have already come into the chain, and the total may be enlarged.

The interests behind Ontario Bakeries include the Municipal Bankers Corporation, Toronto, and L. D. Jackson, president and general manager of the Sykes Bread Company, of Hamilton, one of the bakeries in the merger.

Some of the Directors

Mentioned as possible directors are Sir John Willison, president of Canadian Rail and Harbor Terminals, Limited, Toronto; Sir William Hearst, chairman of the executive committee of Municipal Bankers' Corporation, Toronto; George Wright, hotel-owner and commissioner of the Toronto Transportation Commission and Mr. Jackson.

Financing will shortly be announced and some of the first mortgage bonds of the new enterprise are now being placed quietly. Capitalization provides for the issuance at once of $2,500,000 of first mortgage bonds, paying 6 per cent. interest and maturing in 1946, and for the issuance later of an equal amount of preferred stock. Not all of these securities will come on the market publicly, as the owners of the bakeries being taken in are taking blocks of these securities as part payment.

Budget a Popular One Though Tariff Cut Gives Concern

AMID the welter of controversy concerning the budget of Mr. Robb, stands out the fact that it was sensational in its contents and strategic in its political significance. It dropped upon Canada with dramatic effect, offering startling changes, that went to extremes that had not been expected. In the main, it was, at first thought, satisfying to the Canadian people, as a whole. It reflected soaring revenues and growing prosperity. It offered, as an immediate magnet to the attention of the great mass of the public sharp, decisive savings in two directions; their income tax and their motor cars. Politically the budget was a master stroke. It put back into the bank accounts of many people much of the money they had set aside to pay the one heavy tax that people feel directly. It bowed to a general impression that Canadian motor car manufacturers were "gouging the public," an impression that has gained credence because of the obvious lack of sound study of the position of the motor car industry, either by the public or the government. The public felt that the duty on cars was too high. It was cut. The public, as a whole, liked the move.

Second Thoughts on the Budget

Second thoughts on the budget lead to considerations that cause concern. The effective presentation by Mr. Robb of his case and the sensational character of his announcements prevented a sound appraisal, at first, but now opinion may be more judicial in character.

In cutting the automobile tariff, the government has heeded a popular clamor that has gone on for a number of years. That a mortal blow has been dealt to many individual industries is declared by the heads of these concerns. That a serious situation has been created for large numbers of other manufacturers and their workers is also apparent. This is unfortunate, undoubtedly, and the supporters of the reduction will likely spend less time in minimizing the effect on these industries than upon balancing this loss with the benefits they see in lower cost motor cars.

From the country's standpoint, the most serious feature of the slash in the automobile tariff is the feeling of general industrial instability that it creates. A tariff advisory board was appointed, apparently to study the tariff in regard to individual commodities. It was at once ignored and a great industry's protection was reduced. It showed that manufacturers have not yet been able to sell their case to the Canadian people as a whole. The cut in this particular tariff item is not fundamentally so important as the evidence it gives of the fact that the tariff in Canada is a political instrument to be utilized in whatever direction demanded by a public opinion swayed largely by opposing prejudice and propaganda.

Income Tax Not Reduced for Everybody

Reductions in the income tax are popular, deserved and commendable. They should be a stimulus immediately to business. It is unfortunate that the reductions have been accompanied by very serious increases in the burden upon investors, through introduction of the principle of double taxation of investment profits. This will tend to discourage capital investment. The higher income tax rates have been reduced considerably as well but the sur-taxes are still sufficiently onerous to be a real factor in clogging progress. Catching the tax dodger, if the new regulations can do it, will find few objectors.

Other features of taxation and tariff changes are less significant. Encouragement of the use of Canadian ports means little. The move is obviously a correct one but over 90 per cent. of the commodities covered come in by Canadian ports anyway. Tariff changes, bringing into effect the British West Indies treaty, are in accordance with views already approved by the majority of the people and represent no departure from policies already agreed upon.

Sales tax changes are not of enough significance to cause widespread comment. Abolition of the receipt tax is welcomed. At least 90 out of 100 business men and most of the general public would have preferred to see the cheque tax wiped out rather than to have had "penny postage" restored. For the return to two cents postage there was no widespread or organized demand. Business men find themselves to-day asking why the government ever made the move. It cannot even be regarded as one made to win popularity, since three-cent postage bears heavily on no one. No one in Canada objects to tax reduction in any form but most would prefer elimination of the nuisance taxes to postage reduction.

Governmental Expenditures Show No Real Cut

One feature should not be overlooked in considering the budget. Relief under the tax changes is estimated by Mr. Robb at $25,000,000. But growing prosperity has given assurance of increased revenue at least to offset that loss. At the end of the year, Canada will probably be found to have collected more in taxes than in the previous year. The tax reduction provided represents no real step in the direction of governmental economy. The budget gives no indication of any steps to reduce the national debt.

The biggest fact in the budget is its evidence of a return of more prosperous conditions; of enlarging government revenues making it possible to reduce rates of taxation. Despite its serious effect upon individual investors and upon individual factories, the budget is bound to give a more optimistic tone to general opinion in the country. Weaknesses in the budget lie, not so much in the immediate general effect, as in the more remote but just as real lack of definite encouragement to capital investment in Canada.

Duke-Price Power Bonds May Be Called Very Soon at 107½

Bondholders Would Make Handsome Profit on Holdings — Will New Owners Decide to Increase Capacity? — Probable That New Issue Would Thus be Made

From Our Own Correspondent.

MONTREAL.—The market for the Duke-Price Power Company bonds within the past few days has shown decided strength, the bonds now changing hands at 106 as compared with recent sales at 103. The sudden rise in price, coupled with the fact that the big power producer was recently sold to the Aluminum Company and the Shawinigan Water and Power Company, gives rise to the thought that these bonds will be called shortly.

It is said that the Aluminum Company now owns three quarters of the outstanding Duke-Price stock, whilst Shawinigan owns the remainder. The former will require a tremendous block of power for its new plant on the Saguenay, but under the agreement made at the time it purchased the Saguenay properties and water-powers, it can not develop the power sites until such time as the Duke-Price Power has disposed of the whole of its output. At the present time, the Duke-Price plant consists of an installation of 360,000 h.p. and a plant with an ultimate capacity of 540,000 h.p.

May Increase Capacity

Therefore, it may be the intention of the new owners, who have already disposed of the present output, to add the additional turbo-generators sufficient to bring the output up to the full 540,000 h.p. As the Duke-Price plant has one of the lowest bonded debts per horsepower on the continent, the new owners could, should they so desire, call the present issue of bonds, which are redeemable at 107½, and make a new issue which would provide for a bonded debt of $33 per horsepower on the ultimate capacity. The figure of $33 is the debt per h.p. on the present development. Such financing, of course, would mean that the purchasers would regain some of their purchase money or in other words would reduce their equity in the property.

The demand for the bonds comes from the United States; this may indicate that the new owners are purchasing as many bonds on the open market as possible before calling the issue. In any event, all indications point to the fact that the issue will be called.

As far as the Duke-Price bondholders are concerned, it seems that they are in a happy position, for, it will be remembered, these bonds were put on the market by the National City Company, Limited, less than two years ago at 99; the bonds may be called at 107½, a gain of over 8½ per cent. in less than two years on a gilt-edged bond.

AUTO TARIFF CUT AFFECTING BASIS OF OUR INDUSTRY

Most Radical Reduction of Protection in History

FAR-REACHING EFFECT

Apart from the effect upon the automobile and allied industries—embracing hundreds of manufacturers at all stages from raw materials to the finished product, hundreds of millions in invested capital and many thousands of workers—the new federal budget, in its direct and drastic tariff reductions has created a state of tariff uncertainty which promises to have far-reaching effects on the country's industrial development. Whatever the fate of the industries which have been established in Canada behind the tariff protection which has now been removed—and some or all of them may be closed in favor of imports from parent plants in the United States—there can be little doubt that the establishment of further American plants in Canada and the expansion of industries already located here has been discouraged in a very definite way.

For the first time in Canada's history the high and low tariff issue has been joined decisively. The cut in the protection of the Canadian automobile manufacturers is estimated at 42.6 per cent. There has been little effort to dull the effects or to provide compensations. But it is not alone the automobile manufacturers, or even the manufacturers of parts, who are affected. The ramifications of the automobile industry can only be grasped when the extent of the purchase of the manufacturers in the shape of supplies and materials is taken into consideration. It has been estimated that manufacturers of parts sold to the motor manufacturing plants last year products to the value of $40,000,000.

And that is not all. These plants in turn are extensive buyers. President Carlisle of the Goodyear Manufacturing Company makes the point that while his company supplies only tires and a few rubber mats to the automobile industry it buys materials and supplies from five hundred companies to the extent of $4,000,000 a year.

This same point is emphasized by T. A. Russell, president of the Automotive Trades Association, when he points out that the automobile industry of Canada consumes ten cars of lumber a day. This lumber is made into products for export markets to which the lumber industry would not fiind it possible to export raw materials. Likewise all other materials

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CANADA STEAMERS TO REDEEM BONDS BY A NEW ISSUE?

Dividend Arrears to be Met by Issue of Preferred

From Our Own Correspondent.

MONTREAL. — It is understood that the refinancing plans of the Canada Steamship Lines are approaching completion and that the company is to issue around $18,000,000 in new general mortgage bonds. Of the money so acquired, $12,000,000 will be utilized to fund the purchase price of the George Hall and the Playfair lines.

This would leave a sum of $6,000,000 which, it is presumed, will be used to retire the present outstanding collateral mortgage bonds. The redemption of this issue would release over $7,000,000 of the company's debenture stock which at present is held as collateral against the bond issue.

The redemption of the collateral bonds would result in a loss, for the issue is callable at 105 and there is the possibility that funds obtained in the new financing, over and above the purchase price of the other two lines, might be used to retire some of the other outstanding obligations of the company. But in the meantime, the collateral bonds have discounted the possibility of being called and are selling at 104. This price indicates that there is little doubt that "Steamers" has definitely decided to call the issue.

The last financing done by the Canada Steamship Lines was handled in Canada by Nesbitt, Thomson and Company and in the U.S. by Kissel, Kinnicutt and Company; when questioned as to the proposed issue, A. J. Nesbitt, of Nesbitt, Thomson and Company, stated that this was a matter for W. H. Coverdale, the president of "Steamers," to discuss.

No doubt these two firms will do

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Alberta is Only Province Likely to Adopt Loans

Need for Federal Farm Credits Seems to Have Passed

EASY MONEY A CURSE

That is the Positive Statement of Premier Gardiner, of Saskatchewan, the Big Wheat-Producing Province

Special Correspondence.

OTTAWA.—With the declared purpose of benefiting the farming industry of the country—represented by the Progressive party—the Ottawa government has evidently decided to go through with its plan of using public funds to grant loans to farmers whose credit is not such as to warrant advances through the established loaning companies. Whether there is now a real demand for government credits, in view of the improvement in the agricultural situation and also in view of the large surplus funds in the hands of the trust, loan and insurance companies, does not appear to have received much consideration. The movement was started some years ago and has become a political issue; as such it promises to become legislation. However, the federal measure is after all largely of an enabling character and before becoming effective there must also be provincial legislation and the provinces taking advantage of the arrangement must give certain guarantees.

Despite all that has been said about the federal farm credits scheme the outlook is that it will bring limited practical benefits even to borrowers because the indications are that only one province—Alberta—is actively interested. Ontario already has a farm credit plan which in the opinion of Provincial Treasurer Price can give lower rates than would be possible under the new plan. Manitoba has its scheme which has created its own difficulties. British Columbia, Quebec and the Maritime Provinces are not regarded as being interested. And as for Saskatchewan, the big wheat producing province, the following statement recently made by Premier Gardiner indicates that new experiments in paternalism will not be tried there. Premier Gardiner says that too easy credit has been the curse of the Western farmer:

"Agriculture, our greatest industry, has been established in Saskatchewan

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Seeding Under Way In Saskatchewan

REGINA.—Seeding has started in the eastern, south western and northern districts of the province, but very little has been done in the Regina, Weyburn, central and west central districts according to telegraphic reports received by the statistics branch of the Saskatchewan Dept. of Agriculture. If the present favorable weather continues seeding will be general all over the province by the end of the present week. The soil is generally reported to have a good supply of moisture for germination. The surface, however, in a few districts was becoming fairly dry previous to the rain and snow of last week, and there was danger of soil drifting.

As far as can be determined at this time of the year, fall rye appears to have wintered well, and suffered only slightly from winter killing. Live stock are in good condition and feed is generally reported plentiful.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

TARIFF CHANGES CONFIRM TREATY WITH WEST INDIES

Few Features Are of Great Importance to the Retail Trade

A resume of the changes in the new budget which affect retail business, especially in the grocery and allied lines, shows a number of minor adjustments most of which are merely a confirmation of the Canada-West Indies Trade Agreement. One of the leading items is the reduction of the sales tax on canned fish and similar products from 5 to 2½ per cent.

This naturally will have the effect of easing prices on such lines as canned salmon and sardines. Wholesale holders of canned fish which has been bought and paid for and is in warehouse, awaiting sale, are faced with the 2½ per cent. loss. Just what will become of goods that have been bought but have not been warehoused is a question. It may mean that buyers will decline to take the goods and that they will have to be resold again by the packer on the new sale tax basis.

A number of lines have been added to the already long list of sales tax exemptions.

The chief tariff changes are:

On cocoa beans it is proposed to increase the general tariff from $1.50 to $2 per hundred pounds, and a corresponding increase is made on certain cocoa products.

It is also proposed to make green coffee free under the British preferential tariff.

The rates on ginger, spices, nutmegs, maize and arrowroot, are reduced in compliance with the terms of the West Indies agreement.

Bananas remain free under all tariffs, but the Governor-in-Council is given power to impose a duty of 50 cents a bunch under the general and intermediate tariffs, leaving them free under the British preferential tariff when imported by ship direct.

It is proposed to reduce the rate on pineapples in air-tight tins from one and three-quarter cents to one-half cent under the British preferential tariff.

The general tariff on fresh meats is to be increased one-half a pound.

The duty on sugar for refining purposes testing 96 degrees of polarization is reduced under the British preferential tariff 16.288 cents per hundred pounds making the new tariff 28.714 cents as against the former tariff of 45 cents per hundred pounds. The general and intermediate tariffs on the same test of sugar remains unchanged at $1.28712 per hundred pounds. Proportionate suggestions are made in the duty on sugar of other degrees of polarization.

Tinplate of a class or kind not made in Canada is to be free under the British preferential tariff, and dutiable at five per cent. under the intermediate and general tariffs. This will probably benefit the canning trade and other manufacturers who pack their products in tin cans and should also be reflected to some extent on retailers' costs.

It is proposed to remove the tax on carbonated gas. This tax amounts to one cent per pound. Its removal will mean the saving of 50 cents on every 50 pound drum or cylinder to merchants operating a soda fountain and also to manufacturers of carbonated beverages.

The tariff clauses generally will go into effect at once, dating from April. The postage stamp reduction comes into force on July of this year. To-day's date also applies to goods imported or taken out of warehouse for consumption on and after April 16, and to goods previously imported for which no entry consumption was made before that date. This also applies to such items as are affected by changes in the sales tax. The provision for preferential tariff treatment for goods shipped via Canadian ports goes into effect on January 1, 1927. The income tax changes apply on the taxes being paid this year on last year's income.

Canada's Trade With Newfoundland Grows

SYDNEY.—Canada's growing business with Newfoundland is indicated by the increasing tonnage of the port of North Sydney which for the fiscal year ending March 31, amounted to 786,335 tons. Over 23,000 persons passed through the port, principally traveling between the two Dominions, an increase of 433 over 1925. The great power, pulp and paper development at Corner Brook and elsewhere has greatly boomed business between Canada and the Ancient Colony.

Increased Business in Hardware Lines

Several large construction projects underway are causing steel mills to operate at increasing capacity, and another blast furnace has been blown in this week, according to Hardware and Metal. Owing to an increase in building operations, hardware merchants in all sections are beginning to benefit from increased demand for nails, tools, builders' hardware and other building supplies and accessories. The mining boom is helping the hardware trade in Ontario, Manitoba and Quebec. Total retail hardware sales last week were the largest reported this year, and merchants are feeling optimistic that the heavy demand will continue.

Pig Iron Output Up 31 Per Cent.

The output of 53,251 tons of coke pig-iron for March was 7 per cent. above the February figure, 6 per cent. below the January figure, but 17 per cent. under the figure for March last year. The total for the quarter was 159,641 tons, or about 31 per cent. above the 121,740 tons reported for the first quarter of last year.

The Canadian production of steel ingots and castings during March was 58,765, an advance of 10 per cent. over February, but only about half the output reported for March of last year.

Hat Manufacturer Says Industry Hit by Budget

BROCKVILLE. — Fred Wolthausen, president of the Wolthausen Hat Corporation, estimates that the effect of the adoption of a reduction in duty on felt hats in the rough included in the budget proposals, will be materially to lessen the operations of that factory and to reduce the working staff by one hundred employees. In an interview, Mr. Wolthausen claimed that the change has been instigated by one small Montreal manufacturer. He also said that the reduction of duty on men's and boys' hats made of hatters' felt in the rough, not blocked or further finished, when imported for use only in the manufacture of hats would make it profitable for his concern to import "bodies" from Italy instead of making them here.

Exportable Wheat 81,367,000 Bushels

OTTAWA.—From the gross crop of 1925, viz., 411,375,700 bushels, should be deducted 19,400,700 bushels for loss in cleaning, etc., and grain not merchantable. This makes the net crop to be 391,975,000 bushels. Adding the carry over on August 1, 1925, viz., 26,483,000 bushels, and estimated imports of 410,000 bushels, the total available for distributor during the crop year August 1, 1925, to July 31, 1926, becomes 418,868,000 bushels. Allowing 40 million bushels for seed, 42 million bushels for food and for a carry over of, say, 25 million bushels on August 1, 1926, we get 311,686,000 bushels as the quantity available for export during the year. From August 1, 1925, to March 31, 1926, the actual exports of wheat and flour were 240,434,714 bushels; so that according to these calculations there remain about 71,433,000 bushels for export during the remaining four months of the current crop year. Looking at the question from the point of view of the stocks reported as remaining in Canada on March 31, 1926, viz., 161,367,000 bushels, and deducting 40 million bushels for seed, 13 million bushels as food requirements for the next four months and allowing 25 million bushels as carry over, the balance exportable is 81,367,000 bushels, or roughly 10 million bushels more than the quantity calculated from the estimated production.

CUBA'S DECISION DOES NOT AFFECT SUGAR COMPANIES

Attempt to Raise Price Will Not Affect Canadian Refineries

From Our Own Correspondent.

MONTREAL.—Investors in the securities of Canadian sugar refineries may be wondering just what effect Cuba's decision to limit its output of raw sugar may have on the earning power of their properties. For some time there has been a world over-production of raw sugar; this has brought prices down to rock bottom levels and with the low prices, naturally the consumption has grown, but there still remains a large carry-over from the preceding crop year. Thus, Canadian refiners have, with the lower prices, been able to compete on a more favorable basis in overseas markets.

The Cuban crop is harvested between the months of December and May, and the Cuban cabinet has practically decided to limit the grinding of the present crop to 90 per cent. of the original estimate. Furthermore, the cabinet has recommended measures to congress whereby the production of the next two crops, that is 1927 and 1928, will be limited.

To Restrict Output

The plans to restrict the next two crops are of a decidedly concrete nature and the Cuban president has issued a statement that he will put all his influence toward obtaining from Congress opportune legal measures to reduce the crop. The clearing of new lands for plants has been absolutely prohibited until June, 1927, and as a result, there will be no spring planting this year or next year. Therefore, any new plantings after June, 1927, will not be available for grinding until 1929. In order to firmly restrict the output of the present crop by 10 per cent., the president is asking Congress to enact a law taxing all exports of sugar in excess of the 90 per cent. fixed.

This indicates that sugar prices will rise, but whenever artificial means are taken to restrict the trade, there always seems to be some compensating movement which takes place and thus, many sugar men believe that the restriction placed upon the Cuban planters will immediately lead to increased European beet sowing. Thus, increased European production of raw beet sugar will restrict some of the markets for Cuban raw sugar in Europe, and it seems more than possible that the Cuban government's effort to raise the price of raw sugar will prove abortive.

Will Not Lower Exports

It seem a fair assumption to say that investors in Canadian sugar refineries, therefore, need not fear at the present time increased prices of raw sugar which would act as a break upon the large exports of refined sugar from Canada.

With regard to the Cuban situation, it is to be remembered that there are immense stocks of the raw product on the island which cannot find a market. Some of the smaller private banking houses have somewhat over-extended their lines of credit on the sugar which is thus awaiting a market; in consequence there seems little doubt that as the market shows signs of strength, some of these holdings will be sold immediately, thus tending to lower prices again.

At the present time, the price of raw sugar in Cuba is below its cost of production, but artificial means taken to boost prices seem to stand little chance of success, for Cuba is not by any means the only producer of cane sugar. Again, there is the beet sugar crop in many parts of the world to be taken into consideration.

All in all it is safe to presume that any action taken by the Cuban government will have but little influence in hampering the business done by the Canadian refineries.

Six Per Cent. Rise in Freight Car Loadings

Freight car loadings for the year to date are 6 per cent. ahead of the total for the same period last year, due largely to increased merchandise shipments and larger shipments of farm products, especially in Eastern Canada. Total figures for the year to date are 766,669 against 726,489 for the same part of last year. Merchandise shipments in the East rose very substantially, while there was a small increase in the West. Farm product shipments increased in both areas by 3,269 cars and merchandise shipments by 9,263 cars. Loadings of chief classes of products for the year to date and for the same period last year were:

	1926	1925
Farm products	94,120	90,851
Livestock	28,887	31,768
Coal	63,596	65,559
Merchandise	209,789	200,526
Pulpwood	53,769	54,968
Pulp and paper.......	36,920	30,192
Other forest prop.....	50,365	45,904

Farm Prices Leading in Downward Movement

The decline in wholesale commodity prices in Canada during March is interpreted as nothing more than a seasonal movement. It is looked for about the same time each year chiefly because of the fall in the prices of agricultural products. There is therefore no apparent connection between the decline here and that in the United States which seems to presage business slackening.

The Dominion Bureau's index number of 236 commodities fell from 162.2 in February to 160.1 in March. Farm products and newsprint were the largest contributors, the former slipping from 180.6 to 176.5. Grain prices dropped, and livestock prices usually recede somewhat when feed becomes scarce. Flour prices also moved downward.

The wholesale price index for the past twelve months moved as follows:

Apr.	156.5	Oct.	156.0
May	158.8	Nov.	161.2
June	158.6	Dec.	163.5
July	158.1	Jan.	163.8
Aug.	158.9	Feb.	162.2
Sept.	156.2	Mar.	160.1

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week of Apr. 10	53,711	45,101+19.1%
Year to date	766,669	726,489+ 5.5%

Grain Receipts—

Aug. 1 to Apr. 10	332,305,944	214,811,897+54.9%

Building—

3 months	$22,893,624	$19,769,912+16.8%

Railway Earnings—

2 Months—

	1926	1925
C. P. R.	$26,083,139	$ 26,683,223+10.1%
Oper. Exp.	22,376,250	21,944,754+ 2%
Net	3,706,889	1,738,469+113.3%

2 Months—

C. N. R.	35,749,259	33,202,510+ 7.6%
Oper. Exp.	32,803,217	32,317,984+ 1.5%
Net	2,946,042	884,526+2.33%

Pig Iron Output—(tons)

Mar., 1926	Feb., 1926
53,251	49,746+ 7.1%

FINANCIAL

Bank Clearings—

	1926	1925
February	$1,317,595,039	$1,090,429,439+20.8%

Savings Deposits—Chart. Banks—

February	$1,332,784,116	$1,260,879,805+ 5.7%

Current Loans—By Banks—

February	862,716,608	908,362,432+ 5.0%

COMMERCIAL

Balance of Trade—

	1926	1925
12 months, Feb. 28—		
Exports	$1,310,459,464	1,079,088,809+21.4%
Imports	911,107,055	799,248,046+ 14%
Balance	399,352,409	279,840,763+42.8%

Wheat, No. 1 Nor., Winnipeg—

1926	1925
April 19, $1.60	April (Av.) $1.85

Cattle—(Good, Toronto)

April 19, $8.10	April (Av.) $7.58

Hogs—(Select, Toronto)

Apr. 19, $12.75	Apr. (Av.) $13.45

Victory Bond Interest

When your interest coupons become due, or when you receive cheques for interest on registered bonds, deposit them in a Savings Account in the Bank of Montreal.

The money you receive on your investment in bonds will then earn interest for you.

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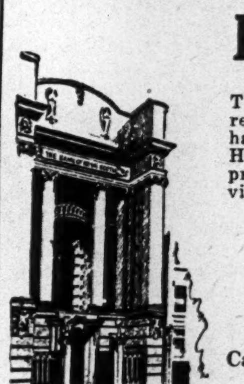
Established 1817

In Ottawa—



Toronto Branch Entrance

The Bank of Nova Scotia is particularly well represented in Ottawa and surrounding district, having ten branches in the city itself and one in Hull. Credit and trade information of a comprehensive nature, and efficient collection service, is thus assured to our customers.

THE BANK OF NOVA SCOTIA

Established 1832

Capital $10,000,000. Reserves $19,500,000.

Total Assets $240,000,000.

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Chartered by the Act of the Dominion Parliament

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Total Assets $124,870,318.11

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SIR JAMES WOODS, Vice-President.

A. E. PHIPPS, General Manager

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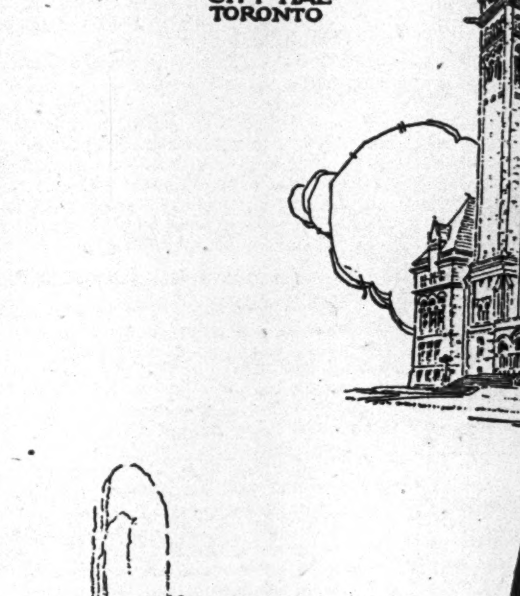

Residence at 205 Edgehill Road, Westmount, Montreal. Side porches are roofed with COPPER. Flashings, gutters and down pipes are of COPPER. Plumbing is of BRASS throughout.

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-installed when other roofing failed

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4

What Canada Must Do to Retain Her Population

Former Minister of Finance Says There Must be Consideration for All Classes — Immigration Then, and Taxation Relief if Country Prosperous

FIRST STEP IS TO ENCOURAGE CAPITAL

By Sir Thomas White *

It is estimated that one-quarter of the entire net annual production of the people of Canada is paid out in taxes. This constitutes not only a great burden upon the taxpayer, but in its indirect results it is a heavy clog upon general business and a formidable deterrent to enterprise. It is our taxation which accounts for the fact that in the industrial and commercial world, while business appears good and the general tone is markedly improved, there is disappointment with the actual results in many lines. It is the overhead which eats so deeply into the profits of even the best managed concerns.

Super-Taxes Discourage

More serious even than this is the effect of our heavy taxation upon the spirit of enterprise in our people. The heavy supertaxes upon income deter men of initiative and constructive capability from embarking in new enterprise in which if loss is made it must be borne by themselves, while the gain accrues in such large proportions to the public treasury. The same consideration is undoubtedly influencing adversely the investment of outside capital in the Dominion. The withdrawal of such large sums as are collected annually in income taxation from the capital fund available for new enterprise constitutes a serious hindrance to the launching of new undertakings by the people of Canada.

The result is that our people are not participating to the extent they should in the development of Canadian industry and commerce. Our supertaxes constitute a particular hardship to our younger men of initiative and enterprise who see no prospect of accumulating adequate capital for extensive operations while they continue in effect. We welcome the reduction in income taxation. It will afford needed relief to many. It is a step in the right direction and one for which I have contended during the past year. Let us hope that the next step will be a longer one in the same direction because the burden of our direct taxation is still very heavy and places us at a great disadvantage as compared with our keenest competitor, the United States. It adds to our cost of production for both the home and export market and to that extent places us at a disadvantage with the American producer.

The Minister of Finance must, of course, have revenue to meet his obligations. It must be for Parliament to decide from time to time what relief can be given in income and other taxation which will reduce the burden upon Canadian productive effort and liberate the spirit of enterprise and initiative throughout Canada. It must not be forgotten that all taxation tends to fall upon the general public, no matter what its immediate incidence may be. This is overlooked by those who rather favor heavy supertaxes because they appear to penalize those with large means. But the effect is to raise professional fees, to divert capital from productive enterprise, and by raising the cost of production to lessen consumption with the attendant results of shifting the burden and causing unemployment. Parliament should have general support in reducing from time to time these heavy supertaxes. This is the case in the United States where the Secretary of the Treasury has made enormous reduction in income taxation with the approval of the general public who under his leadership have come to clearly perceive that excessive income taxation, while it appears to affect only the well-to-do, in reality affects the prosperity of all classes of the community.

Law of Diminishing Return

It may be asked where will the needed revenue come from if our special war taxation is greatly reduced. I answer that in large part it will come from the great improvement in business which is bound to result from the increase of productive energy which will ensue following the reduction. The law of diminishing return has set bounds to the amount which may be taken in taxation without serious detriment to the general prosperity of a people. Personally I am a strong believer in heavy taxation upon imported luxuries. The well-to-do must pay and should pay the largest share proportionately, but it is in the interests of the country that those who live luxuriously should pay more than those who employ their income to further productive enterprise.

Making Economy Popular

Connected with this problem of taxation is the problem of national economy. This must necessarily relate to controllable expenditure. Governments are blamed universally for their extravagance, but the fault partially lies back of governments and parliaments, with the people themselves. All profess to be in favour of economy. They favor it in the abstract but not in the concrete. Who ever heard of a member of parliament losing his seat or being reprimanded by his constituents because he had obtained provision in the estimates for a public building or other work which is not needed or could well be dispensed with for years to come? He is praised when he is successful and blamed when unsuccessful, and yet we call upon the government and parliament to economize. They are our representatives.

Why do we expect them to do other than we appear to desire? We shall get economy in all governments when the great mass of the people are so imbued with the spirit for economy that they will not support needless expenditure. When a member of parliament, returning from Ottawa to his constituency, is met by his constituents with violent reprobation because of an item in the estimates providing for expenditures in that constituency, we shall be upon the verge of the millennium of public economy. Public opinion must be fully informed as to the consequences of unproductive public expenditures raised by heavy taxation before any real progress will be made. When such public expenditures are barred and banned as political arguments we may look for real improvement.

I think we may hardly expect that any considerable reduction in taxation is likely to be accomplished through drastic reductions in public expenditures. Public opinion is not sufficiently strong on the point to bring it about. Our real problem in this connection is to devise ways and means of greatly enlarging national production. By doing this we should broaden the base sustaining the burden of taxation and furnish the increased business necessary for our, at present, over-extended railway and industrial plants.

Broaden Taxation Base

The problem is one of increasing our productive population and attracting capital for development of our natural resources. Our own rate of increase in population is too slow to satisfactorily meet the requirements of our situation and there is a general consensus of opinion that our hope lies in immigration, or rather land settlement. For the five years preceding the war Canada received twice as many immigrants as she has for the ten years since. In 1914, just before the war, they were arriving at the rate of more than a thousand a day. You are familiar with the conditions in Europe which make it much more difficult now to obtain desirable settlers of character suitable for assimilation in large numbers and possessing means to enable them to make a start as settlers.

Prosperity Brings Immigrants

That is one difficulty but there is another. I have had a careful examination made as to our immigration in the past and I find that its volume has always corresponded in any given period to the opportunities afforded for work from which the immigrant could get immediate pay. Something more than the lure of free land was required. Our greatest period of immigration before 1900 was in the eighties, during the period of main construction of the Canadian Pacific Railway. From 1880 to 1890 a million immigrants entered Canada. Railway construction fell off materially during the nineties and only 300,000 entered during that decade. From 1900 immigration revived with the vast construction undertakings of the Canadian Northern, Grand Trunk Pacific and the added construction of the Canadian Pacific. From 1900 to the outbreak of war our immigration reached the large figure of two and a half millions. The wages readily obtained by settlers in our prairie provinces either in railway construction, or in other lines of activity occasioned by the construction of our railways, enabled the settler and his family to bridge time until they became self-supporting from the soil.

The reason I stress this point is because it shows that productive migration into Canada is not likely to take place on a large scale until there is sufficient industrial activity to assist the settler to become established or until some comprehensive plan is evolved whereby financial assistance will be afforded to him in the meantime. This would involve the expenditure of considerable sums of public money but the outlay, if it produced the desired result, would be productive expenditure of the most valuable kind.

I cannot help but feel that the action of the government and of our railway systems as to immigration might well be supplemented by voluntary organizations of citizens throughout Canada to bid the newcomers welcome and make them feel that they had come to the house of friends. Every immigrant homeseeker is a human being and the human touch, if rightly applied, would be the best of propaganda for attracting new citizens to Canada. The task of causing the stream to flow again is not likely to be an easy one, but it could be made a great deal easier if citizens' organizations could be induced to put their shoulders into the movement and help it along.

It must not be forgotten that the most potent factor in the encouragement or discouragement of immigration is the nature of the reports sent back by settlers during the first year or so after their arrival in the country. Any of these people, and possibly the most desirable class among them, may be regarded as a sort of advance guard on whose reports other intending immigrants may depend. There is no better advertisement for the country than a contented and prospering settler and none worse than one who is discouraged and disheartened.

Capital Comes First

To those whose attention is centred upon the problem of their own immediate future it is idle to talk about the enormous natural resources of Canada and its brilliant future. If one should be tempted to generalize he would say that virgin land at low prices or free will not alone solve the problem of immigration. But if we can have a distinct revival of enterprise and a flow of capital into Canada for development purposes, then with our vacant agricultural spaces and our mineral and other resources awaiting the application of capital and labor we shall not have great difficulty in attracting immigration. Our previous large-scale immigrations have been in periods of so-called good times when there was abundance of work and a great distribution of money in the form of wages. As to the attraction of capital which will help in promoting immigration, I shall only say that it would greatly help if we could have in Canada income tax rates and direct taxation generally not higher than those of the United States, and if capitalists considering investment in Canada could count with fair certainty upon reasonable stability of tariff policy.

Tariff Changes Disturbing

My own view, based upon considerable experience in tariff administration, is that about every six or seven years the tariff should be deliberately and carefully revised to meet changed conditions and that in the meantime, tariff modifications should be as few as possible. A most hopeful factor is the decided revival of agricultural prosperity in the West. This alone will attract immigration from the United States. Settlers from that country are experienced in agriculture and will have the necessary capital to buy land and finance their operations. Speaking generally, it seems clear that there should be a comprehensive, intelligent plan for increasing productive immigration. One would think that close co-operation and co-ordination between the Dominion government, the provinces, the railways and citizens' organizations would yield results.

My own view is that we are not likely to rapidly increase in population unless very special efforts are made to attract settlers and policies adopted calculated to retain our own native-born population. In one word what we require in Canada to attract immigration and capital and retain in Canada our own people is unmistakable prosperity. We are lying alongside the most prosperous nation in the world. With a population of over one hundred and twenty millions, immense wealth, diversified trade and industry, unlimited opportunities for professional success, the attraction of the Great Republic for our young people is very great. If the United States is prosperous, we must enjoy a like prosperity if we are to hold our population. Prosperity is not always a national boon, but for Canada it has a much deeper significance than the mere making of money.

Before this club I shall say nothing more than that from the standpoint of national interest we must, even if it involve some cost to us, provide in Canada the diversified industries and occupations which will take up the proportion of our population who desire to engage in callings other than our primary industries. We should do everything in our power to promote agriculture, mining, lumbering, fisheries, but we should also do everything in our power to promote industrial enterprise which is essential not only for the purpose of providing free markets for the products of intensive farming which will be more and more characteristic of our agriculture, but to furnish occupation to those who would otherwise be lost to us as a nation. The true test of the expediency of any policy is what is the national interest of Canada? How does it square with the purposes and objects which we have in view, namely, to build a great and distinctive nation upon the northern half of this continent?

*In address to the Toronto Canadian Club.

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BOGUS BILL PLANT SEIZED IN BUFFALO

Had Been Producing Spurious Canadian and American Notes in Large Numbers

BUFFALO.—A search for the "master minds" of a gang of Buffalo counterfeiters which had been flooding cities along the international border with spurious Canadian and American bank notes for the last six months, was started by the Federal authorities and police here.

Following a police raid on a second floor flat at 233 Prospect Avenue, the arrest of Frank Palmeretti and the seizure of counterfeit American and Canadian bank notes with a face value of hundreds of thousands of dollars and a complete counterfeiting plant, was made.

The prisoner confessed he was a photographer and that this knowledge enabled him to make what are termed excellent plates for his counterfeiting work. The equipment included a number of photographic plates, several photographic screens, worth hundreds of dollars, high-priced lenses, ink, small presses, water-marked paper of good quality and other small tools.

It is believed that the arrest of Palmeretti ends the hunt of Dominion secret service operatives for the source of $10 bills that have been distributed in Hamilton, Fort Erie, Niagara Falls, Ont., and other cities along the border, relatively close to Buffalo.

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to Estates being administered by it
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Bearing in mind that true credit is based on Character, Capacity, Capital.
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Across Canada and Back

Marvelous beyond conception inaptly describes the glories of Canada's Rockies. To be fully appreciated they must be seen. To start out on a trip by one's self into this unfamiliar but far-famed paradise-on-earth, to many appears quite a task. Realizing this, Dean Sinclair Laird, of Macdonald College, an experienced Rocky Mountains Traveller, for the third year in succession, has undertaken to conduct a party through this glorious wonderland.

A special train of dining, standard sleeping, and observation compartment cars has been chartered, to leave Toronto on July 19th via the Canadian Pacific Railway. Stops will be made at Port Arthur and Fort William, which together form Canada's greatest grain port; Winnipeg Beach, the popular summer resort for Winnipegers; Winnipeg, Canada's third largest city; Indian Head, the chief tree distributing centre of the Federal Forestry Branch; Regina, the capital of Saskatchewan; Calgary, Alberta's largest city; Banff, the world-famous mountain resort; by automobile for 104 miles over the Banff-Windermere Highway, the most spectacular drive in Canada; through Kootenay Lake to Nelson, the commercial centre of Southern British Columbia; then through the Doukhobor country to Penticton; along lovely Okanagan Lake, and to Vancouver, thence by steamer to Victoria.

Returning, the trip will be by the main line of the Canadian Pacific, through the great canyons of the Fraser and Thompson Rivers, and through the Selkirks, and Rockies, affording scenery such as can be found nowhere else on earth; Lake Louise, the Pearl of the Rockies, the most perfect gem of scenery in the world; another day at Banff, Edmonton, the Capital of Alberta; Saskatoon, the city of optimism; Devils Gap Camp, on the Lake of the Woods, near Kenora, thence to Fort William, where one of the fine Canadian Pacific Steamers will be used across Lakes Superior and Huron to Port McNicoll, then rail to Toronto, where the trip will terminate.

Everything is included in the price of $330.00, from Toronto; transportation, sleeping cars, accommodation in hotels, and bungalow camps, meals in diners, hotels and on steamers, and sight-seeing tours at points visited.

The trip is open to all, and applications for accommodation are being received.

Fares from other points than Toronto will be named, and descriptive illustrated booklet sent on application to Dean Sinclair Laird, Macdonald College Post Office, Que.

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"11 Long Distance calls costing $4.65 sold 2,776 lbs. of meat for $688
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The Securities Markets

BUDGET CHANGES HAVE EFFECT ON STOCK MARKETS

Motor Parts Companies Are Hit and Prices Decline

Market Indicator

	High	Low
20 Industrial Stocks		
Week of Apr. 21	90.7	87.4
Week of Apr. 14	92.4	89.7
Mth. of Apr., 1925	73.3	67.6
9 Bank Stocks		
Week of Apr. 21	$224	$222
Week of Apr. 14	224	223
Mth. of Apr., 1925	205	203
10 Public Utilities		
Week of Apr. 21	93	92
Week of Apr. 14	92	91
Mth. of Apr., 1925	86	82

With the tariff and taxation changes in the budget providing the chief disturbing factors, the stock markets have been very unsettled during the week with declines general and some recurrent evidences of strength. The first direct effect of the announcement of the government's fiscal program was in regard to the stocks directly or indirectly related to the automobile industry. These stocks all declined. The effect was noted through the range of companies supplying parts or raw materials right back to the fundamental industries like the Steel Co. of Canada. Later there was some measure of recovery as the situation became more clearly defined. However, the net declines in various stocks in the steel industries leave little doubt as to the probable effect of the tariff changes in regard to the operations and profits of the concerns engaged in the manufacture of automobiles, and parts and supplies.

In an investment way the budget change making dividends taxable as income also had its effect. From the standpoint of those holding dividend paying stocks for their investment return these stocks are now less attractive. One effect has been to increase the popularity of the tax-free government bonds. Another, which seems likely to assume quite important proportions, is to encourage the selling of Canadian securities in favor of securities in American companies showing similar returns.

Apart from these domestic developments the markets have been subject to outside influences which have also been unsettling. Growing belief that New York is actually now in a bear market has had its effect in encouraging realizing. However, the American stocks, while drifting and evidently attracting little popular demand seem to have reached a level of comparative price stability. Trading has become largely professional and the bear operators seem to be showing a disposition to cover their commitments rather than attempt to continue their drives for lower prices. Cheap money is a strong argument on the constructive side but against this is the lack of public interest following the drastic shake-out. On the other hand the pools are showing some disposition to take an interest in the resumption of operations at present levels and the operators for the decline seem inclined to await news of definite developments in the business situation before deciding whether the bear drive can be successfully continued. In any event a recovery at this time would be generally regarded as a technical corrective from an over-sold position during the decline. The only factor to the contrary seems to be the low interest rate on commercial loans and the large funds offering for investment.

	Gains	Loss	Unch.	Total
Banks	2	5	..	7
Paper	1	8	2	11
Steel	3	15	8	26
Foodstuffs	4	17	6	27
Utilities	4	15	1	20
Tractions	1	6	4	11
Textiles	2	4	3	9
Industrials	12	15	7	34
Totals	29	85	31	145

The decline in the steel stocks on the Canadian markets was quite general. Few of these companies but what are interested in the production of automobile parts or accessories or are in the market for supplies to such companies. Steel of Canada, under realizing pressure, went below par for a loss of about 4 points. McKinnon Industries common dropped to 16 but recovered some of the loss. Ontario Steel dropped 14 points to 60. Ford Motor dropped more than 100 points as an indication of the effect which the change in the tariff is expected to have on that company. The British Empire Steel stocks were all weak, selling off considerably in view of the discussed plan of reorganization of the company's finances. Dominion Bridge was weak, selling off several points. Massey-Harris stocks were in good demand with fractional gains.

General declines were recorded in the paper group. It would seem that the prospect of over-production in the event of anything like a business contraction in the United States had its effect in encouraging realizing. Abitibi, Laurentide, Price, Brompton and Spanish all sold down, Howard Smith was about the one strong spot showing a fractional gain for the common and a point on the preferred.

Recessions were the rule this week in the milling stocks but there was little trading. International Milling preferred eased to 101½ against 102 a week ago and 103 the previous week. Lake of the Woods common weakened slightly to 149. No transactions were reported in Maple Leaf common; preferred was firm at 97. Ogilvie Flour receded to 170 from 176 a week ago. Shredded Wheat weakened to 192 against a high of 196 last week, affected, presumably, by the general market weakness.

In the general foodstuffs group Atlantic Sugar preferred sold down sharply to around 75. B.C. Fishing took a dip, selling down to 60, but later recovered a portion of the loss. Canada Bread common did better but the "A" preferred sold off a couple of points. Dominion Stores was selling up a couple of points to 58. William Davies sold off a couple of points to 30. Western Grocers preferred and common both sold off a point.

In the utilities Consumers' Gas following a decline with the announcement of the new stock issue was very strong, selling up above 180 for a gain of about 6 points on the week. Bell Telephone was fractionally better. Jamaica Public Service performed well, gaining a point on the strength of the annual report. Montreal Power ran into realizing sales which resulted in a decline of about 5 points following the recent strong upward movement. Shawinigan also was sold, losing about 4 points on week. A number of the other power stocks were affected by realizing sales but the declines were not important. In the tractions Brazilian sold down and then recovered but closed the week with a loss. Barcelona did better, selling up to 28½. Twin City sold off to 69 and Winnipeg Electric also declined a couple of points. Other changes were not important.

In the textiles Canadian Cottons suffered a decline on 5 points and Dominion Textile sold off from 93 to 98. On the other hand Penmans was strong, selling up from 177 to 180.

In the general industrials declines predominated although not to the extent in some of the specialized groups. American Salesbook, Building Products, Lyall, Tucketts Tobacco and Woods Manufacturing did better. F. N. Burt, Crows Nest Coal, Dominion Glass, King Edward Hotel, National Breweries and Pacific Burt were among the stocks selling off a point or more.

Sherwin-Williams Has Good Investment Record

Referring to the 7 per cent. cumulative preferred stock of the Sherwin-Williams Co. of Canada, Ltd., at a price to yield 6.20 per cent., Greenshields & Co. say:

"As the largest manufacturer of paints and varnishes in Canada this company has established a reputation for great stability in earning power. Since the inception of the company in 1911 earnings have been at the rate of 18.3 per cent. on the average preferred stock outstanding, or about 2½ times annual dividend requirements. The company has never had an unprofitable year. This is a seasoned Canadian investment suitable to the most conservative requirements."

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Food Products

ATLANTIC SUGAR EARNINGS HIGHER; POSITION BETTER

Betterment Seen in Balance Sheet, Working Capital and Net Earnings

From Our Own Correspondent

MONTREAL.—The annual report of the Atlantic Sugar Refineries for the year ending December 31, 1925, shows an all round improvement in gross earnings, in net earnings, in working capital position and in the balance sheet. The net indicated earnings on the common stock amounted to 8.3 per cent. as compared with 3 per cent. at the close of 1924.

Current assets have been increased by over $1,000,000, and, with only a moderate increase in the current liabilities, the balance sheet shows a working capital of $138,904 as compared with a deficiency of working capital in the two preceding years. The other chief change in the balance sheet is a reduction of practically $500,000 in the deficit in the company's assets; at the close of 1924 total liabilities exceeded total assets by $4,259,150, whereas at the end of last year this deficit was reduced to $3,760,342.

With regard to funding the deferred accounts payable liability which now stands at $3,874,134, the president, Lewis J. Seidensticker, in his report to the shareholders, says:

"The proceedings incidental to the reorganization of the company in pursuance of the settlement agreed upon with the raw sugar creditors have been practically completed. Since the close of the fiscal year under review the total proceeds from the sale of 30,000 shares of new common stock having no par value have been paid into the company by the subscribers and underwriters, and it is expected that the funding of the deferred indebtedness to the raw sugar creditors will be completed very shortly by the delivery of the new second mortgage bonds to the creditors."

1925 a Record Year

The report also points out that 1925 was a record year for the company in the refined sugar export field and that domestic business continued at satisfactory levels. It states also that the year's operation further improved the company's liquid position to the extent of $940,670 and in addition $100,000 of the first mortgage bonds were retired during the year. Expenditures for repairs and maintenance amounted to $86,510 which was charged against operation, while betterments amounting to $16,000 were added to plant account.

Income account and working capital position figures over the past three years follow:

	1925	1924	1923
Profits	$1,246,391	*$964,103	$1,459,982
Deprec.	355,376	304,224	302,618
Balance	$891,015	$659,879	$1,157,864
Bank int.	355,774	384,781	466,522
Balance	$535,241	$275,098	$690,842
Bond int.	41,910	47,910	53,910
Balance	$493,331	$227,188	$636,932
Tax. res.	....	....	30,000
Net inc.	$493,331	$227,188	$606,932
Pref. def.	‡4,253,673	4,486,383	5,094,778
P. & L. def.	$3,760,342	$4,259,195	$4,487,846
Indic. earn. on com. stk.	8.3 p.c.	3.0 p.c.	10.8 p.c.

*—After deducting tax reserve.
‡—Allowing for $5,522 as net amount applicable to previous years.

	1925	1924	1923
Curr. assets	$1,823,277	$812,205	$1,323,961
Curr. liabs.	1,684,373	1,623,264	2,528,293
Work. cap.	138,904	*820,059	*1,204,332

*—Current liabilities in excess of current assets.

Christie Brown Shares Increased to 150,000

At the annual meeting of the shareholders of Christie, Brown and Company, held in Toronto this week, a by-law increasing the authorized number of shares of common stock from 105,000 to 150,000 was approved. The shareholders also formally approved the Employees' Savings and Profit Sharing Fund which was inaugurated at the beginning of this year. It is understood that the purpose of increasing the authorized number of common shares is to provide at some future date for the distribution of additional shares to the common shareholders, but no action on this matter was taken at the meeting.

The following were re-elected directors for the coming year: R. J. Christie, C. E. Edmonds, F. K. Morrow, G. K. Morrow, Robert Mallory, Jr., and Rodney Hitt. A vacancy on the Board was filled by the election of J. F. Lash of the firm of Blake, Lash, Anglin and Cassels, barristers, of Toronto.

Immediately following the shareholders' meeting, the directors met and appointed R. J. Christie as president, C. E. Edmonds vice-president and secretary-treasurer, and H. V. Hansen second vice-president and general manager.

B.C. Fishing Merges With Wallace Fisheries

The recent merger of the Wallace Fisheries, Ltd., and the British Columbia Fishing and Packing Company involves no new financing according to one of the officials of the latter company. The union was arranged by an exchange of the securities, B. C. Fisheries handing over some $500,000 par value of its unissued capital stocks, while the other company brings $200,000 in cash to the treasury of the B. C. Fishing Company.

B. C. Fisheries is now in an exceptionally strong liquid position. There is more than $2,000,000 of working capital, or above $50 per share of stock outstanding. There is neither bank nor bonded indebtedness. The $4,500,000 plant of the company is entirely paid for. Foreign markets for fish products are better; last year's better than average catch is sold and the market is clear of stocks. Altogether, the outlook is better than it has been for some years.

The acquisition of the Wallace Fisheries gives the new company a place in deep sea fisheries which it had never occupied before and this insures continuous operations throughout the year.

The capital stock of British Columbia Fishing is on a 5 per cent. dividend basis and at present prices yields about 8 per cent.

Maple Leaf Common Declines to Fifty

After a period of wide fluctuations, Maple Leaf common fell this week to around 50, a recession of nearly 20 points. Around the beginning of the current year this stock was quoted at 100.

The drastic decline indicated is not due to any disappointing feature in the industry itself. Earnings were not such as to justify a quotation of 100, since no dividends were being paid nor was there any immediate likelihood of any being paid. The company's earnings, in fact, have not been especially favorable since 1921. At the same time the working capital position is essentially strong. Last annual report showed current assets amounting to $12,311,024, and current liabilities of $8,706,697, leaving a net working capital of $3,604,327. Net tangible assets applicable to the preferred and common stocks amounted to $126.26 per share of $100 par. The appreciated value of its holdings of Canada Bread have been a valuable asset, as has also its indirect interest in Canadian Bakeries.

SALMON PACKING INDUSTRY FEELS BUDGET BENEFITS

Cut in Duty on Tin Plate and in Domestic Tax

From Our Own Correspondent

VANCOUVER. — Salmon canners are elated over the cut in sales tax on their product, announced in the budget speech, and so are the representatives of those industries which consume large quantities of tin plate, for on this the duty has also been reduced. Formerly the tax on canned salmon for domestic use was 5 per cent.; now it is 2½ per cent. Salmon packers have been agitating for such a change for a long while, their contention being that Salmon should not be subjected to a higher rate than canned vegetables and fruit, on which the sales tax has been 2½ per cent. right along.

The 15 per cent. duty on tin plate imported from the British Isles is wiped out entirely, and on United States tin plate the reduction is from 12½ per cent. to 5 per cent. This will make a substantial difference to the industries that have been using large quantities of tin plate. In view of the enormous expansion of the packing industries this will be an important factor. So far as this province is concerned, however, the chief benefit in tariff reduction will be in the case of canned goods used in Canada. Hitherto there has been a rebate granted of 99 per cent. of the duty on tin plate used for export canned salmon. So far as the domestic market is concerned, however, there will be a big saving in manufacturing costs represented by the change, especially in view of the increasing amount of foodstuffs that are being put up in cans.

The rebate of 99 per cent. on sugar used in wine manufacture will also be of assistance to British Columbia, especially to the loganberry wine industry which had a rather poor season last year because of the high cost of such items as sugar. The rebate will place the British Columbia industry on much the same basis as Ontario, Spanish and Italian wine production.

British Columbia's business community would have welcomed a curtailment of the so-called "nuisance taxes," such as the stamps taxes on cheques, drafts, bills of lading, and so on, the excise tax on certain commodities like soft water and the sales tax. The manufacturing interests here would have preferred such a curtailment to the reduction in tariffs. Abolition of the receipt tax was welcomed.

Few, if any, British Columbia industries are adversely affected by the tariff changes. There is, however, a general feeling of regret that the reductions announced by Hon. J. A. Robb may lead to serious interference with the automotive industries in eastern Canada, for it is recognized that disruption of a big national industry such as that cannot fail to injure business conditions in all sections. The automobile industry has always been a heavy user of lumber, copper and other products of this province.

RAILWAY EARNINGS

Canadian Pacific Railway

Week end.:	1926	1925	Change
April 14	$3,137,000	$2,745,000+	$392,000

Canadian National Railways

Week end.:	1926	1925	Change
April 14	$4,436,438	$3,963,395+	$473,043

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REORGANIZATION PLANS OF BESCO AFFECTING STOCK

Big Variation in Valuation of Preferred and Bond Set by Market

From Our Own Correspondent.

MONTREAL.—More than a little interest centres on the market action of the British Empire Steel Corporation. The common shares are selling around 1, the first preferred at 12, and the second preferred as low as 2½. The weakness indicates that Besco intends to take some drastic measures in the reconstruction program which is being worked out at present.

A better picture of the corporation's activities may be obtained from the securities of some of the constituent companies. Besco owns all the common stock of the Nova Scotia Steel and Coal Company, whose bonds are now changing hands at around 68½; this company has outstanding also $4,978,500 in debenture stock, and $1,000,000 in preferred The present market price of the bonds indicate that the debenture holders may have their holdings cut down in the reorganization.

Through the Dominion Steel Corporation, Besco owns the control of the Dominion Iron and Steel Company and also the Dominion Coal Company. The manner in which the market values the securities of the last two may perhaps indicate to a certain extent how these securities may fare under the projected plan.

Bonds Sell Now

The Dominion Iron and Steel Corporation has two bond issues in the hands of the public; of the first mortgage issue, there are some $5,000,000 outstanding; these are due in 1929, and the company meets heavy sinking fund payments on the issue. Consequently these bonds are well secured and change hands at around 90. But the consolidated mortgage bonds, of which there are some $11,000,000 outstanding, have dropped until they are now changing hands at about 51, thus indicating that the holders of this issue are anticipating a considerable readjustment in their holdings.

The Dominion Coal Company bonds, of which there are almost $5,000,000 in the hands of the public, sell at around 89; this indicates a considerable equity behind this issue.

Thus the market says that the coal companies have been carrying the load of the steel companies. The bonds of the Dominion Coal have been selling high, whilst the Dominion iron and steel bonds are weak; the market values the Nova Scotia Steel and Coal second mortgage issue at about half-way between the prices of the other two subsidiaries.

The preferred shares of the N. S. Steel and Coal Company were last quoted at 25 bid.

A Holding Company

Besco owns all the common stock of the Dominion Steel Corporation, and its preferred is quoted at about 22. This is the holding company which, through the ownership of all the common stock, in turn controls the Dominion Iron and Steel and the Dominion Coal companies. The preferred shares of the Dominion Coal Company change hands at around 50, whilst the preferred of the Dominion Iron and Steel are offered at 14, thus indicating that the shareholders believe that in the reorganization, the preferred shareholders of the coal company will fare better than those of the first preferred shareholders of Besco, whilst the preferred shareholders of steel company will fare about as well as the first preferred shareholders of the parent company.

Will Segregate Plants

The whole action of the market thus indicates that it is the intention of the Besco management to segregate the two branches of the corporation's activities. Possibly the plants engaged in the manufacture of iron and steel will form a new company, whilst the coal properties will be operated as a unit. In any event, the whole market trend indicates that in the projected plan, the preferred shareholders of Dominion Coal will fare better than the other preferred shareholders; next would come the preferred of N. S. Steel, followed by the preferred of the Dominion Steel Company, and lastly the market places the preferred shares of the Dominion Iron and Steel and Besco itself.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period April 8 to April 14 inclusive, amounted to 11,663 tons, and for the year to date 153,096 tons.

UNLISTED SECURITIES

	Bid	Asked
Brooks Steam Motors	4½	6
Can. Machinery, com.	4½	..
Can. Westinghouse, com.	162	166
Cosgrave Brewery	3¾	4½
Dom. Power, pref.	93	96
Farmers Dairy, com.	50	..
Farmers Dairy, pref.	100	105
Dunlop Tire, pref.	76	80
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref.	35	37
King Edward Hotel, Deb. A.	82	85
King Edward Hotel, Deb. B.	63	66
K. & S. Tire, pref.	18	..
Loew's Toronto, com.	27	31
Loew's London com.	2¼	2¾
Loew's Ottawa, pref.	15	..
Durant Motors (C)	3	4
Mount Royal Hotel, com.	4	6
Mount Royal Hotel, pref.	36	38
Willard's, pref.	69	72
Loblaw Groceterias, com.	58	61
Capital Life 25% Paid	23	26
Continental Life 20% Paid	33	..
Crown Life	120	..
Empire Life	23	..
Excelsior Life 25% Paid	44	..
Great West Life	360	..
Imperial Life	210	..
Monarch Life 10% Paid	20	..
Ontario Equitable	24	27
Re-Insurance	13	17
Security Life, 40% Paid	33	37
Sovereign Life, 25% Paid	24	27
Toronto Finance, pref.	4	4¾
Trusts & Guarantee	74	77
Pure Food, com.	29	31½

Grand Falls Power Will be Ready in Two Years

From Our Own Correspondent.

MONTREAL.—Under the terms of the agreement under which Grand Falls on the St. John River is to be developed, power must be ready for distribution by July 1, 1928.

The St. John River Power Company, which is to be incorporated under the legislation, will probably have an authorized capitalization of $5,000,000, and the New Brunswick International Paper Company, the second International Paper subsidiary which will be formed to carry on paper manufacturing, will probably have a similar authorized capitalization, or it may be even greater.

Welland Canal Gates Contract for Lyalls

From Our Own Correspondent.

MONTREAL.—The Lyall Construction Company has been awarded the contract for the construction of the steel gates for the new Welland Canal; the contract is understood to be in the neighborhood of $4,500,000.

It is announced that a subsidiary company, known as Steel Gates, Limited, will handle this contract for the Lyall Company. It will be necessary to award contracts for 20,000 tons of metal construction of which 16,000 tons will be steel and 4,000 tons of castings. It is understood that it will require three to four years to complete the work.

The capital stock of Steel Gates, Limited, is owned by Lyall Construction. It is of the nominal amount of $49,000.

Frontenac Purchase Confirmed at Meeting

From Our Own Correspondent.

MONTREAL.—The outstanding feature of the annual meeting of the National Breweries held this week was the acknowledgement, after many months of silence, that the company has acquired a substantial interest in the Frontenac Breweries. It has long been understood that it was this acquisition which led to the final settlement of the "Beer War" last year; this was first confirmed when the annual report made its appearance this year with an increase of some $1,200,000 in investment account.

Sugar Refining Business Shows First Decline

From Our Own Correspondent.

MONTREAL.—For the first time in many months, the Canadian sugar statistics, covering the four week period ending March 27, show a decline as compared with 1925 and give evidence of a decline in volume of business by the sugar refineries. Shipments for the four weeks period amounted to 78,980,994 pounds as compared with 91,095,398 pounds in 1925; total shipments from the beginning of the calendar year were 214,734,797 pounds, a decline of some 5,500,000 pounds.

Stock Market Record

WEEK ENDING APRIL 20

	Div. Rate	Yield Apr. 19	High for wk.	Low for wk.	Close Apr. 20	Close Apr. 13	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.96	218	216½	217	216½	61	226	214
Dominion	12+1	6.01	216½	214	216½	214	13	219	213
Can. Nationale	10	6.28	160	159	159	160	14	170	159
Imperial	12+1	6.18	..	...	...	...	...	215½	210
Montreal	12+2	5.51	255	254	254	255¼	75	263	254
Nova Scotia	16	5.48	292	289½	289½	292	33	300	281
Royal	12+2	5.56	251½	251½	251½	252	52	255⅛	248
Standard	12	6.06	198	195	195	198	5	200	195
Toronto	12	5.58	..	...	...	...	...	222	218
Paper—									
Abitibi, com. (no par)	4	5.42	76	72	73¼	76	690	85½	71¼
Do., pref.	7	6.36	..	...	...	...	...	116	109¾
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.16	98	97½	97½	97½	80	101	95¾
Brompton (no par)	.	...	32½	30¼	30¾	32⅝	2994	35¼	26
Laurentide	6	6.97	87	85½	85¾	86½	175	93½	84¾
Price Bros. com.	2	2.98	67	65	65	70	220	72	57
Do. pref.	6½	6.68	97½	97	97¼	97½	44	100	95
Prov. Paper, com.	6+1	6.86	1.02	102	102	102	60	104	100
Do. pref.	7	6.68	..	...	...	...	...	104½	100
Smith, Howard, com.	.	...	44½	44	44	43⅞	686	54½	38
Do. pref.	8	8.37	96	95½	95½	96½	27	101	92¾
Span. River, com.	7	7.00	101¼	100	100	101	1290	108	99
Do. pref.	7	6.08	110	110	110	115	218	119	110
St. Maurice Paper	6	...	..	...	...	...	...	106	104½
Wayagamack	.	...	..	...	...	...	...	88	65
Steel and Steel Industries—									
B.E. Steel, com.	.	...	2	1	1⅛	2	2350	3⅛	1
Do. 1st pref.	.	...	25½	14	15	25½	1562	30	14
Do. 2nd pref.	.	...	7	2½	2½	7	7551½	10¾	2½
Can. Car & Found., com.	.	...	42	42	42	43	100	49	33
Do. pref.	7	8.64	81	80	81	81	195	85¾	73
Can. Foundries, com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	45	45	45	45	60	50	41½
C. G. Elec., com. (par $50)	.	...	..	...	...	...	...	51	5[illegible]
Do. pref. (par $50)	7	6.11	58¼	57½	58	58¼	171	60	57
Can. Locomotive, com.	.	...	40	40	40	40	51	42	35
Do. pref.	7	8.26	84¾	83	83	85	27	89½	73
Can. Iron, com.	.	...	..	...	...	...	...	10	10
Do. pref.	.	...	..	...	...	...	...	42	39
Dominion Coal	.	...	50	50	50	50	80	52	40½
Dominion Iron, pref.	.	...	16	10	10	15	180	24¾	10
Dominion Bridge	4	4.25	97½	94	94	97½	60	99½	80
Dom. Radiator, pref.	7	6.89	101½	101½	101½	101½	30	108½	101½
Dom. Steel Corp., pref.	.	...	24	24	24	24	25	25	24
Ford Motor	10	...	504	500	504	622	80	622	500
Massey-Harris, com.	.	...	49	48½	48½	48	88	60	40
Do. pref.	7	7.52	95	93	94	93	96	97	93
McKin. Ind., com. (no par)	.	...	20	16	19	22	195	26½	15
Do. pref.	7	7.77	90½	90	90	90¼	230	92	90
N.S. Steel, pref.	.	...	..	25	25	25	25	25	25
Ontario Steel, com.	4	6.66	71	60	60	74	195	76	60
Do. pref.	7	6.86	..	...	...	...	...	102	100
Russell Motor, com.	.	...	40	40	40	40	10	42	39
Do. pref.	7	8.04	85	85	85	87	10	90	82
Sawyer-Massey, pref.	.	...	5	5	5	13	20	13	5
Steel of Canada, com.	7	7.07	102	98	98½	102	1902	106½	95⅛
Do. pref.	7	5.90	118½	118	118½	118	84	118½	114
Milling and Foodstuffs—									
Atlantic Sugar, com.	.	...	24⅝	23½	24	24	4786	33⅞	22½
Do. pref.	.	...	75½	75	75½	84	50	88	75
B.C. Fishing	5	7.84	65	60	63	64⅞	1873	75¼	57¼
Can. Bread, com. (no par)	.	...	57	53	57	56	30	61	53
Do. pref. (A)	7	6.54	107	105	105	107	37	110	105
Do. pref. (B)	7	7.10	98⅝	98	98½	98	100	98½	96¼
Can. Canners, com.	.	...	13½	13	13¼	13¼	4	15	12¾
Do. pref.	1	...	64	61¼	62⅞	63½	387¼	67¾	60
Canadian Salt	8	5.92	..	...	...	...	...	145	131
Do. rights	.	...	6	4½	4¾	6½	309	7	4½
Can. Baker., com. (no par)	.	...	28½	27½	27½	27½	10	36	27½
Do. pref.	7	7.44	94	93½	93½	93½	165	98½	93
Christie Br., com. (no par)	.	...	..	...	...	...	...	63½	62
City Dairy, com. (par $25)	12	4.41	68	68	68	68	190	81	67
Do. pref.	7	6.36	110	110	110	109	10	112	107
Cuban Can. Sugar, com.	.	...	3	3	3	4	5	5	3
Do. pref.	.	...	24	23	23	24	35	28	23
Dom. Stores, com. (no par)	60c.	...	58	58	58	56	14	68	56
Do. pref.	8	6.98	114½	114½	114½	114⅝	5	116	106
Wm. Davies (A) (no par)	.	...	32¼	30½	30½	32	347	37½	30½
Inter. Milling, pref.	7	6.98	101½	101	101½	102	65	105¼	101
Lake of Woods, com.	12	8.05	150	149	149	150	44	175	149
Do. pref.	7	6.08	115	115	115	116½	1	117	115
Maple Leaf Mill. com.	.	...	..	...	...	...	...	88	65
Do. pref.	7	7.21	97	96½	96½	97	8	102	95¾
Ogilvie Flour, com.	5	2.86	176	170	170	176	275	200	170
Do. pref.	7	5.69	..	...	...	...	...	125	123
Pure Gold Mfg. (no par)	50c.	...	..	...	...	...	...	23½	20
Shredded Wheat	10	5.20	192	192	192	196	5	218	169½
St. Law. Flour, com.	.	...	30	30	30	30	10	45	30
Do. pref.	7	...	..	...	...	...	...	84	82
West Can. Flour	8	...	..	...	...	...	...	115½	110
West. Grocers, com.	.	...	6	5	5	6	186	13¼	5
Do. pref.	.	...	50	49	50	51	8	64	49
Utilities—									
Bell Telephone	8	5.79	138	137	137½	137	387	141	136
Consumers Gas	10	5.68	180½	174¾	180½	174¾	111	183⅞	172½
Inter Utili. (A) (no par)	87½c	...	33	33	33	35	210	38½	33
Do. (B) (no par)	.	...	..	...	...	...	...	9¼	7½
Cedar Rapids	3	....	..	...	...	...	...	40	40
East. Koot. Power	.	....	..	...	...	...	...	32	25
Jamaica Pub. Ser., pref.	7	7.07	99	98	99	98	8	99	96¼
Laurentide Power	5	4.76	105	105	105	105½	5	110	105
Mackay, com.	7	5.34	132	131	131	131½	50	138½	131
Do. pref.	4	5.75	70	68¾	69⅛	69	238	73½	68¾
Mexican Light, com.	.	...	30	30	30	31	30	31	29½
Do. pref.	.	....	..	...	...	...	....	64	64
Mont. L. H. & Pr. Cons.	8	3.58	229½	220	223⅞	228¾	9238	230	209
Montreal Teleg. (par $40)	8	6.61	48¾	48½	48½	49½	25	51½	48½
Ottawa L. H. & Pr. com.	6	6.12	98	98	98	98	10	100	97½
Do. pref.	6½	6.37	103	102	102	103	11	105¼	102
Quebec Power, com.	5	4.16	121½	120	120½	121	183	125	113
Do. pref.	7	6.33	..	...	...	...	...	116	109½
Shawinigan	8	4.41	185	180	181	185½	627	191	167½
South. Can. Power, com.	2.00	2.23	90	89	89½	90	102	90½	83
Do. pref.	6	6.00	101	100	100	101	196	101½	100
Ottawa & Hull Pr. (no par)	.	...	..	...	...	...	...	27	25
Transportation—									
Can. Pacific Rly.	10	6.49	154	153	154	154½	70	163	147
Can. Steamships, com.	.	...	17	16½	16⅞	17	1107	18½	11
Do. pref.	.	...	69½	66	67	69	5283	69½	56
Do. voting	.	...	16½	16	16	16½	1675	16½	11
Tractions—									
Barcelona (par $50)	.	...	28½	28	28½	27½	495	29	26½
Brazilian, com.	5	5.68	90½	86	88¼	90	18839	98½	80
Do. pref.	6	6.00	..	...	...	...	...	102½	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	2½
Duluth-Superior	.	...	28½	28½	28½	28½	20	31½	25
Illinois Traction, pref.	6	...	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	6.17	165	162	165	165	36	178	159
Ottawa Traction	4+1	...	..	...	...	...	...	65¾	63
Porto Rico Rlys., com.	.	...	43	43	43	43	210	47	40
Do. pref.	7	7.95	88	88	88	88	40	91	87
Quebec Rly.	.	...	26	26	26	26⅝	50	26⅝	26
Twin City, com.	5	7.14	70⅞	69	69	71	180	79½	69
Do. pref.	7	6.84	102¼	102¼	102¼	102½	5	103	102¼
Winnipeg Elec., com.	1	...	48½	46	47¼	49¼	2103	54⅝	46
Do. pref.	7	7.10	100	97½	97½	98¼	36	100½	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	..	...	...	...	...	49	42½
Can. Converters	7	7.60	93½	92	92	92½	105	94	90
Can. Cotton, com.	8	6.86	116½	115	115	120	35	124	15
Do. pref.	6	6.25	96	96	96	95½	8	99½	95
Can. Woollens, com.	.	...	..	...	...	...	...	8	5
Do. pref.	.	...	50	50	50	50	46	50	49½
Dom. Textile, com.	5	5.40	93	90	90	93	866	99⅛	90
Do. pref.	7	...	..	...	...	...	...	122	119
Monarch Knit, pref.	.	...	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.79	..	...	...	...	...	105	102
Do. pref.	7	6.14	114	114	114	114	65	115	112
Penmans, com.	8	4.44	180	180	180	177	205	190	173
Do. pref.	6	5.76	104	104	104	104	46	104½	103
Wabasso Cotton	4	6.55	61	61	61	62	5	65	61
General Industrials—									
Amer. Sales. com. (par $20)	4	6.61	61½	60	61½	60	50	70	59
Do. pref.	7	7.17	..	...	...	...	...	98	92
Asbestos Corp., com.	6	6.25	96½	96	96½	97	1157	98	89
Do. pref.	6	5.05	119	118	118½	120	242	120	109
Do. com. (new)	.	...	20¾	19¾	20½	19⅞	5024	24½	17¾
Do. pref. (new)	.	...	68½	66¾	67½	68	1692	70	62
Building Prod., pref.	7	8.04	87	87	87	85¼	5	87	85¼
Brant. Cord., pf. (par $25)	8	7.54	26¾	26½	26¾	26½	126	27½	26
Burt, F. N., com. (par $25)	12	5.55	54⅛	53½	53¾	56	135	67	53½
Canada Cement, com.	6	5.85	103	102½	102½	102⅜	1200	111½	100½
Do. pref.	7	6.08	115⅝	114½	114½	116½	58	120	114½
Cons. Rubber, pref.	7	...	..	...	...	...	...	86½	86½
Can. Ind. Alc. (no par)	1.28	7.42	17¾	17	17½	17¾	2075	20	16¼
Crow's Nest Coal	6	9.95	64½	60	60	69	170	85	51
Dom. Glass, com.	7	7.44	95	90	90	96	1185	105	85
Do. pref.	7	6.60	106⅜	106	106	106	20	111	106
East. Theat. com (par $25)	.	...	24	24	24	24	48	25¼	18¾
Do. pref.	7	7.86	89	89	89	89	75	90	83
Famous Play., com.	.	...	..	...	...	...	...	18½	15
Do. pref.	8	8.88	91½	90	91½	91	167	94¼	90
Gilman, com.	6	5.55	..	...	...	...	...	108	104½
Do. pref.	7	6.08	116	115	115	115½	51	116½	113½
Goodyear Tire, pref.	7	7.44	95½	94	95	95	323	97	93½
Holt Renfrew, pref.	7	7.95	..	...	...	...	...	90	85½
Kelvinator, com. (no par)	.	...	16⅜	16	16	16⅛	207	17	15
Do., pref.	.	....	93	92½	93	92¼	45	93½	92
King Ed. Hotel	.	...	37	37	37	39	10	41	25
Lyall Construction	.	....	43	41	42¼	41	565	46	20
Nat. Brew., com. (par $25)	4	6.78	60½	58	58	60¼	1685	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
National Brick com.	.	...	..	...	...	...	...	12½	12½
Do. pref.	7	10.29	68	68	68	68	5	72	67
Pacific Burt, com.	6	6.31	95	95	95	97	25	110	90⅝
Do. pref.	7	6.73	..	...	...	...	...	110	102
Port Hope San., com.	¾	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	104¼	104¼	104¼	100	5	104¼	99
Rogers, Wm. com.	.	...	..	...	...	...	...	67	45
Do. pref.	7	7.36	95	94½	95	95	14	95⅝	90
Sherwin-Williams, com.	6	4.65	130	129	129	130	65	135	127
Do. pref.	7	6.19	113	112⅞	113	113	58	114	110½
Sterling Coal	4	...	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	..	...	...	...	...	60	57
Tuckett Tobacco, com.	4	6.15	65	65	65	63	5	65	61¾
Do. pref.	7	6.86	103	102	103	103	48	105	101½
Woods Mfg. com.	.	...	42	41½	42	41	187	44	38
Do. pref.	7	8.48	82½	82	82½	82	26	82½	77¾
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Canada Landed (par $50)	10+1	5.78	..	...	...	...	...	100	95
Can. Permanent	12	5.76	208	208	208	208½	15	208½	202½
Colonial Invest. (par $10)	6	...	..	...	...	...	...	6½	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.68	..	...	...	...	...	132	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Montreal Loan (par $50)	12+1	6.50	50	50	50	50	40	50	50
National Trust	12	4.89	..	...	...	...	...	245	235
Ontario Loan	11	5.18	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.38	..	...	...	...	...	225	223
Toronto Mtge. (par $50)	10+1	5.78	..	...	...	...	...	95	93½
Union Trust	7	6.93	..	...	...	...	...	101	101

THE CURB MARKET

	Div. Rate	Yield Apr. 19	High for wk.	Low for wk.	Close Apr. 20	Close Apr. 13	Sales for wk.	Range, 1926 High	Range, 1926 Low
Beacon Oil	.	...	16⅝	155⅝	161½	16	225	19½	14¼
Brit. Amer. Oil (par $25)	10	5.10	49¾	49	49¼	49½	397	53½	47
Can. Oil, com.	1¼	...	..	...	...	...	...	74	65
Do. pref.	8	7.61	105	105	105	...	155	105	100
Continental Oil	25c	1.25	20¼	20	20	...	85	26	20
Dryden Power (no par)	.	....	6	6	6	6	225	7¾	6
East. Engineering	.	...	..	...	...	...	...	2½	1
Good. & Worts	6	3.01	..	...	...	...	...	237	193
Imperial Oil (no par)	1.00	3.03	33½	32½	33¼	32½	1748	38½	32½
Inter. Pete. (no par)	75c	2.42	31½	30¾	31	31⅝	840	35½	29¼
Manitoba Power (no par)	.	...	..	...	...	...	...	42	24
Newsprint Corp.	.	...	20	20	20	20	55	27	18
N. Star Oil, com. (par $5)	.	...	1.00	1.00	1.00	1.00	50	1.05	.95
Do. pref. (par $5)	.	....	4.50	4.50	4.50	4.70	10	4.75	4.50
Simpsons, pref.	6	5.91	..	...	...	...	...	102	101
St. Maur. Valley	.	...	48½	48½	48½	49	360	53½	45½
Toronto R. S.	.	...	..	...	...	...	...	1.40	1.10
Volcanic Oil (par $25)	62c.	....	27½	27½	27½	27½	10	29	27½
Attendu Eng.	.	...	8	7	7	9	90	10	7
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	72	59½
Illinois Power, pref.	.	...	96½	96½	96½	97	7	98½	96
North Mex. Pr., com.	.	...	..	...	...	...	...	55	47
N. S. Car	.	...	10½	10½	10½	11	35	11	10
Power Corp. (no par)	.	...	25	25	25	..	25	28¼	24¼
St. Law. Power (no par)	.	...	..	...	...	...	...	46½	36
St. Maur. Power	.	...	75	75	75	76	96	80⅛	75
United Secs., pref.	6	5.75	104¾	104¼	104¼	104½	36	105	103

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Melachrino
MO.45 CIGARETTES
"The One Cigarette Sold the World Over"

"The Trail that leads to London"

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Follow the Canadian Pacific four-day trail that leads to London. The magnificent Empresses and the comfortable mono-class (one class) cabin ships make the passage one continuous delight.

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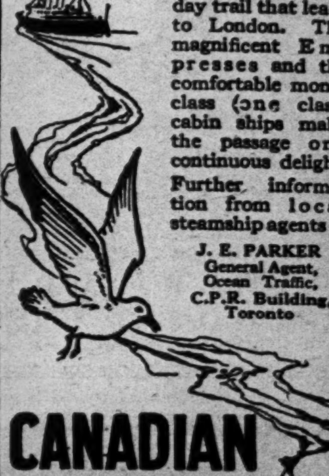
General Agent,
Ocean Traffic,
C.P.R. Building,
Toronto



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Advertising that Spells Profits for the Dealer

MERCHANTS know that the lines that turn over quickest, and that have least sales resistance, are those that are nationally advertised. Such goods do not require to be "pushed" by the dealer because they are well and favorably known everywhere.

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In every buying centre; in the largest as well as in the smallest cities; in fact, in every city, town and village of 1,000 population and over in Canada—outside of the French-speaking province of Quebec—MACLEAN'S MAGAZINE now reaches an average of better than every tenth home.

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Throughout 1924 and 1925 MACLEAN'S MAGAZINE has carried a greater volume of paid advertising than any other monthly or semi-monthly magazine in the general field on the North American continent.

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MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

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MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

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FORTY-FOUR years' experience making high grade papers is back of every Rolland sheet. Where you see the "R" Shield Watermark you can confidently count on the highest quality too. Rolland papers live up to their name.

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High Grade Paper Makers Since 1882
MONTREAL
Mills at Mont Rolland and St. Jerome, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation

Controlling and Operating
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL - QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

Pulp and Paper

NEW ISSUE OF STOCK OFFERED BY PORT ALFRED

$1,000,000 of Preferred — Total Capitalization is Very Low

From Our Own Correspondent.

MONTREAL.—Owing to the rapid and satisfactory progress which the Port Alfred Pulp and Paper Corporation has made in the construction of its newsprint extensions, the company has decided on the immediate issue of a further $1,000,000 in 7 per cent. cumulative shares.

The installation of two of the new newsprint machines is now practically completed. The first machine, originally planned to be ready by July, is now expected to be ready this month, and the progress made with the second machine has been equally satisfactory. Construction is also under way for the installation of the third and fourth machines, to be in operation by the end of the year.

The forthcoming issue will bring the total amount of preferred shares outstanding to $4,000,000, which is the full amount called for by the construction programme.

During 1925 the revenues came entirely from the manufacture of sulphite pulp, and it is, therefore, interesting to note that earnings from this one source are over one and a half times the annual dividend requirements on the $4,000,000 preferred stock. With the completion of the new mill, it can be seen that earnings applicable to the preferred will show an interesting ratio to the dividend requirements, when viewed from the investment angle. It is estimated that these earnings will amount to at least six and a half times the dividend requirements.

Earnings on the no par value common shares, upon the completion of the fourth machine, are estimated at approximately $26 per share. By December next the company will have as low a capitalization per ton of output as exists anywhere on the continent.

Figures Show Demand for Newsprint Strong

From Our Own Correspondent.

MONTREAL.— Newsprint production figures for the month of March show that Canada produced 154,093 tons as compared with 145,910 tons in the United States; this makes a total Canadian production for the first three months of the year of 429,444 tons, as compared with 415,558 tons in the United States. Over the first three months, Canadian production was at the rate of 5,832 tons daily, while American production averaged 5.690 tons daily. Thus the Canadian mills are finally well established, and the leaders in the newsprint industry on this continent.

The combined figures of the stocks of newsprint paper in Canadian and U. S. mills totalled 33,152 tons, equivalent to 2.9 days average production, which indicates that although the combined production of the U. S. and Canadian mills in the first three months of 1926 showed an increase of 15 per cent. over 1925, yet the demand for the output has increased correspondingly.

Royal Bank Reviews Newsprint Expansion

From Our Own Correspondent.

MONTREAL.—The monthly trade bulletin of the Royal Bank of Canada deals with the Canadian newsprint industry in relation to world production. The bank anticipates an increase of some 15 per cent. in production during 1926 in this country and another similar gain in 1927. The bulletin says:

Few Canadians realize that by the end of 1926 Canada will be producing over one-third of the world's newsprint and 45 per cent. of the raw material entering into newsprint manufacture. Canadian newsprint production has been steadily increasing, and in 1925 our total production about equalled that of the United States, returns for the first two months of the current year indicating a distinct leadership on the part of Canada.

Canada's programme of expansion involves the installation of eighteen new machines during the present year. This provides for an increase of 1,715 tons in daily capacity, bringing the 1926 production up to 1,750,000 tons and making possible a two-million-ton production in 1927. No new installations are contemplated for the industry in other producing countries, with the exception of one machine in England and one in Finland.

Canada produced 1,522,000 tons of newsprint in 1925. Canadian pulp and pulpwood were used in 612,000 tons, or 40 per cent. of the newsprint manufactured in the United States, making a total of 2,134,000 tons, or 42.7 per cent. of the world's estimated production coming directly or indirectly from Canadian sources. Allowing for the proposed new mills coming into operation, the world production of newsprint in 1926 is estimated not to exceed 5,250,000 tons, of which Canada will produce 33.4 per cent., while her raw material will enter into 45 per cent. of the total.

A review of the international trade in pulp and paper during 1925 shows a distinct change in direction, which gives promise of a broader market for Canadian paper in the future. Until recently the mills in Germany and Scandinavia have been operating at capacity and selling a substantial part of their products overseas. The opening of continental markets, due to the economic recovery of Europe, diverted this trade to these neighboring countries, with the result that the United States, South Africa, South America, and Australia, were forced to look elsewhere for their supplies. Canada was able to meet these requirements, keeping her new mills in operation and maintaining the existing price level. The United States consumption of newsprint has increased about 5 per cent. per annum during the past three years, while her production has not kept pace. South America and South Africa are growing in commercial importance every year. Our export of newsprint to the former increased from almost nothing in 1923 to over 25,000 tons in 1925. In the last three years the exports to South Africa have increased 240 per cent.

Previous to 1920 Canada was competing with England for the Australian market, but on account of a preferential tariff granted Great Britain this market was lost. The negotiation of a trade treaty with Australia has made it possible for Canada to compete again with England for that market, her paper, like England's, entering Australia duty free, as against a £3 per ton tariff imposed on paper from other countries.

Grand Falls Will Operate Two New Newsprint Mills

From Our Own Correspondent.

MONTREAL.—The agreement reached between the International Paper Co., the Fraser Companies and the New Brunswick government provides for the development of approximately 60,000 h.p. at Grand Falls on the St. John River. Under the terms of the agreement, the International Paper Co. will undertake the development, reserving 20,000 h.p. to be supplied to the Fraser Companies, which will enter newsprint manufacture with a mill of 200 tons daily capacity. The International Paper Co. will establish one newsprint mill of 200 tons daily capacity in New Brunswick and possibly a second plant later on.

Laurentide Mentioned in Report of Paper Merger

Representatives of a large banking firm were in Canada recently, making a survey of the pulp and paper field, with a view to negotiating another big Canadian newsprint merger, according to the market letter of Watt and Watt. It is believed that eventually the Laurentide Company will become a party to this amalgamation, which will create, in size and importance, an organization equal to, if not greater than, that being worked out by the International Paper Company. Two of the largest Ontario newsprint companies are mentioned in connection with the deal.

MT. ROYAL HOTEL REORGANIZATION PLAN IS DROPPED

Earnings in First Quarter of 1926 Have Improved—Annual Meeting Held

From Our Own Correspondent.

MONTREAL.—The two chief features of the annual meeting of the Mount Royal Hotel Company were the announcement by the president that the capital readjustment plan had been abandoned, and the report of Vernon G. Cardy, the operating manager of the hotel, which showed that an improvement had been made in every branch of the company's activities. Mr. Cardy also declared that for the first three months of the present year, earnings have shown an increase of $86,000 over the corresponding three months of 1925.

At the meeting, two new directors, A. L. Caron, of Montreal, and E. G. Long, K.C., of Toronto, were added to the board, bringing it up to its full strength of fifteen. Two new by-laws were sanctioned by the shareholders, one of which provided for a specific form of proxy, while the other provided that the annual meeting shall be held within four months of the close of the fiscal year, instead of eight weeks, as hertofore. It was explained that the latter period did not provide sufficient time for the auditing of the accounts.

Further Publicity for Hotel

President F. A. Dudley, in his address, described the extensive efforts of the United Hotels Company of America, and the local management in the direction of a wider publicity for the hotels on this continent. A travel bureau has also recently been established by the United Hotels, which will have offices in London and Paris, and will thus extend the publicity to Europe, so that an increase in foreign business may be anticipated.

Mr. Dudley stressed the fact that the United Hotels Company, the parent organization, has no interest in the Mount Royal Hotel inimical to that of the preferred shareholders, nor will the parent company consent to any re-organization of the financial structure which is not approved by a very large percentage of the preferred shareholders. While the plan of reconstruction which was recently proposed has been abandoned, no other plan is in contemplation. He added, however, that the directors proposed to make a study of the results of operations during the present year, and, if the results of such a study provide a plan which will give the preferred shareholders a definite fixed return upon their investment, then such a plan will be presented to the preferred shareholders for their consideration.

Earnings in First Quarter

W. A. Mackenzie, of W. A. Mackenzie and Company, investment bankers, who recently opposed the projected capital re-organization, endorsed the stand taken by Mr. Dudley, and promised his co-operation in any plan that may be proposed, so long as the vested interests of the preferred shareholders remain intact.

Here follows the comparison of earnings over the first quarter of the year, as presented by Mr. Cardy, at the meeting:

	1923	1924	1925
Rooms	$994,000	$1,220,000	$1,660,000
Food	992,000	947,000	1,043,000
Wine	275,000	307,000	349,000
Wages	672,000	639,000	637,000
Fuel	67,000	51,000	45,000

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PRUE

MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
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ALCOHOL
HIGHEST QUALITY-BEST SERVICE
Ethyl Alcohol—Cologne Spirits, Denatured Alcohol (all formulae)

We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the trade.

TRADE MARK

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MONTREAL CORBYVILLE
TORONTO WINNIPEG VANCOUVER

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

Industrial Alcohol Stock is Proving More Popular

MONTREAL. — It seems that the shares of the Canadian Industrial Alcohol Co. are becoming more popular with the public, for the number of shareholders has increased to nearly 2,000 as compared with 291 when the stock was first listed toward the close of 1924. Thus, the technical position has been greatly improved and the market for the stock should be more stable. It is understood that business for the company has been better during the last six months than it was last year. As far as profits are concerned, the month of March was one of the best in the company's history.

Public Utilities

MONTREAL POWER HAS PURCHASED NEW SUBSIDIARY

Disposition of Property Seen in United Securities' First Report

From Our Own Correspondent

MONTREAL.—The first financial statement of the United Securities covering the period from its incorporation on June 20, 1924, to March 31, 1926, shows a net income applicable to the preferred dividends of $613,837; the preferred dividend requirements amounted to $520,050, which left a surplus of $93,787 for the period under review. This surplus is subject to federal income tax.

The report points out that it covers a broken period as the various transactions, necessary to clean up the involved state of the affairs of the subsidiary companies, were not consummated until February of the present year.

In the report, Julian C. Smith, the president, reviews all the transactions which have taken place since the company's inception and points out that in June, 1924, the company arranged for the control of the majority of the common stock of the Quebec-New England Hydro-Electric Corporation and the Canadian Light and Power Company and at the same time submitted an offer to the shareholders of the Montreal Tramways and Power Company, proposing that shares of the latter be turned into United Securities for exchange on the terms submitted at that time. The exchange was accepted by the majority of the shareholders of the company and the acquisition of the shares resulted in the issuance by the United Securities of its preferred and common shares to the amount shown on the present balance sheet.

The report points out that the guarantee of dividends on the preferred by the Shawinigan Water and Power Compan⁻ and Montreal Power Consolidated is limited to the amount of preference shares now outstanding.

By the redemption of the outstanding bonds of the Montreal Tramways and Power Company, the United Securities, after disposing of its holdings of general mortgage bonds of the Montreal Tramways Company found that it required another $2,581,900 to satisfy the amount involved in the redemption. The United Securities advanced that sum to its subsidiary; in due course this sum will be funded.

The report also points out that the United Securities now holds about 55 per cent. of the common shares of the re-organized Canadian Light and Power Company, and about $1,300,000 of the principal sum of the company's 5 per cent. mortgage bonds.

The most important announcement contained in the report is the sale of the United Securities' holdings of common shares in the Quebec-New England Hydro-Electric Corporation to the Montreal Light, Heat and Power Consolidated in February of this year. Thus, the Montreal Light, Heat and Power acquires the entire business and undertakings of the Quebec-New England and assumes the liability for its 5 per cent. first mortgage bonds due in 1942 and amounting to $2,968,000. The payments on this purchase are to extend over 30 years from August, 1924, and will consist of an annual amount of $400,000. Under the sale, the United Securities has agreed to set aside an annual sum of $71,372 to be deposited with a trustee which will provide a sinking fund sufficient to retire at 105 within 30 years the entire 6 per cent. preferred stock presently outstanding.

The receipts of the United Securities consist principally of interest earned on sums advanced to other companies and payments accrued as a result of the sale of the shares referred to in the foregoing.

The United Securities total assets amount to $12,645,332 made up by the investment in subsidiary companies, the contract agreement, loans to subsidiaries, cash and accounts receivable and investments. The preferred stock outstanding totals $5,125,372, and the common $5,126,172.

The profit and loss figures for the period dating from incorporation to March 31, 1926, and the first balance sheet follow:

xFrom M. L., H. & P. Co.	$666,668
Applicable to capital	248,496
Balance	$418,169
Interest from loans	398,056
Total	$816,226
Interest from bonds	23,469
Total revenue	$839,696
General expense	88,235
Balance	$751,460
Interest	137,623
Net income	$613,837
Preferred dividends	520,050
†Surplus	$93,787

xInstalments received from Montreal Light, Heat & Power Cons. re sale of stock of Quebec New England Hydro Electric Corp.
†Subject to Federal income tax.

ASSETS	
Subsidiary companies	$5,542,064
Contract agreement	4,224,438
Loans to subsidiaries	2,621,900
Cash and accts. rec.	143,393
xInvestments	113,535
Total	$12,645,332
LIABILITIES	
Preferred stock	$5,125,372
Common stock	5,126,172
Bank loan	2,300,000
†Surplus	93,787
Total	$12,645,332

xSinking fund investment (pfd. stk.)
†Subject to Federal income tax.

Public Utility Earnings

CAN. WESTERN NATURAL GAS

	1925	1926	Decrease
January	$163,953	$138,443	$25,510
February	171,679	126,850	44,829
Aggre. earn. from Jan. 1 to Feb. 28	$335,632	$265,293	$70,339

SOUTHERN CANADA POWER

March	1926	1925	Increase
Gross earn.	$116,968	$95,883	$21,085
Operating exp.	39,995	43,214	*3,219
Net earn.	76,973	52,669	24,304
6 months	1926	1925	Increase
Gross earn.	$705,620	$585,128	$120,492
Operating exp.	228,781	266,328	*37,548
Net earn.	476,839	318,799	158,040

* Decrease.

B.C. ELECTRIC RAILWAY

February	1925	1926	Increase
Gross earn.	$ 963,086	$ 991,479	$ 28,393
Exp., maint., etc.	686,314	714,358	28,044
Net income	$ 276,772	$ 277,121	$ 349
Aggre. gross from July 1 to Feb. 28, 1926	$7,532,584	$8,066,611	$534,028
Aggre. net from July 1 to Feb. 28, 1926	$2,205,188	$2,346,925	$141,737

MONTEREY RAILWAY, LIGHT

3 months to Sept. 30, 1925	Gross	Expenses, including provis. for renew. and obsolescence	Surplus
Rly. L. & P.	$216,953	$232,755	*$15,801
Water. & sewage	64,651	39,195	25,455
Total	$281,605	$271,950	$ 9,654
Aggre. earn. from Jan. 1, 1925, to Sept. 30, 1925	$803,347	$775,812	$27,535

*Deficit.

WINNIPEG ELECTRIC

February	1925	1926	Increase
Gross earn.	$459,553	$464,198	$ 4,645
Expenses	299,846	287,928	*11,918
Net earn.	$159,707	$176,270	$16,563
Aggre. gross from Jan. 1 to end of February	$964,667	$972,031	$ 7,364
Aggre. net from Jan. 1 to end of February	$337,167	$373,862	$36,695

*Decrease.

SOUTHEASTERN POWER & LIGHT

March—	1926	Increase
Gross earnings	$1,018,258	$ 212,541
*Oper. expenses	507,716	132,879
Net earnings	$ 510,542	$ 79,662

For the twelve months ending March 31, 1926—

	1926	Increase
Gross earnings	$12,389,231	$3,144,540
*Oper. earnings	6,773,741	2,212,323
Net earnings	$5,615,490	$1,023,217

*Including taxes.

HIGHER PHONE RATES NEEDED FOR SERVICE

Proposed Increase Would be Borne Very Largely by the Business Community

That the Bell Telephone Company requires additional revenue if the requirements of present and prospective patrons are to be met, is the basis of the case being made before the Board of Railway Commissioners at Ottawa for higher rates. President C. F. Sise told the board in his evidence that the new proposed schedule would be borne largely by the business telephones. Residential telephones would only be slightly affected. The company, according to the president, had suffered a deficit of $328,828 on operations for the first three months of 1926.

Mr. Sise outlined the plans of the company in respect to the installation of automatic telephones. One-half of the telephones in Toronto would be on automatic exchanges by 1929, and one-half of Montreal would have automatic phones by 1931, if the present plans were carried through. The president defended the company's contract with the American Telephone and Telegraph Company, on the grounds that the benefits of the engineering advice and research experience of the American firm were at the disposal of the Canadian.

In support of the company's action in applying for new rates now, Mr. Sise explained that in 1925, when a rate for depreciation of only 4.75 per cent. was charged, there was a deficit of $8,712. Had the proper rate of 5.4 per cent. been charged for depreciation, the deficit would have been $700,793. The new rates were estimated to produce $2,685,021 additional revenue.

In 1924 and 1925, the expenditure was between $17,000,000 and $18,000,000. There was an estimated growth of 225,000 telephones in the years 1926 to 1930, which would probably involve $87,000,000. The bulk of this would come from issues of stocks or bonds, but part must come from reinvested surplus or reserves. The Bell Telephone had to find capital in bad as well as in good years if it was to take care of demand, as it arose, for additional service. The proposed schedule was prepared to produce a return of approximately 7 per cent. on the actual cost of the property.

"CEMENT'S" NEW PROPERTY

MONTREAL. — The Canada Cement Co. has acquired the mining rights to a gypsum deposit situated near Cranbrook, B. C. While it is improbable that it will erect a plant for treating the mineral this year, it is thought probable that mining operations will be commenced there shortly, present plans embracing the shipping of two cars of raw material each week to the company's cement works at Exshaw, Alta.

HAMILTON STREET RAILWAY PROGRAM GOES TO PEOPLE

Situation Explained at Dominion Power Annual Meeting

HAMILTON. — Negotiations between the Hamilton Street Railway Company and the city have finally resulted in a definite agreement for continuation of the service on a five cent fare basis until June, 1928, and the people will on May 10, vote on the agreement. At the annual meeting of the Dominion Power and Transmission Company the president, W. E. Phin, reported fully on the situation as follows:

"Our efforts during the last six months have been devoted chiefly to a solution of street railway problems. The Street Railway Company for the last five years has not earned or paid any dividends, while during that period $500,000 has been paid the city for taxes, mileage and percentage charges, which, if continued, would bankrupt the company and deprive the car riders of the required service.

"There is no doubt that any other form of local transportation than electric cars, in a city such as Hamilton, with massed population, cannot render satisfactory service, particularly in rush hours, and as the city last December, by an overwhelming majority, refused to purchase the railway, there was no other alternative but that the city and the company should negotiate a fair agreement based on the company's continued operation of the railway and provide a satisfactory transportation system under conditions which will permit the company to earn a reasonable return on its capital investment.

New Agreement

"Negotiations along this line have been completed and the amended agreement, which will be submitted to the electors on May 10, provides for a five-cent fare and a ten-cent bus fare, or three bus tickets for 25 cents, until June 30, 1928; and thereafter for an adjustment of fares on application by either party to the Ontario railway and municipal board. Not more than one application shall be made in any year, and it is set out that the board shall in their decision be just and reasonable. The city agrees to forego its charges for mileage and percentage so long as the above fares are maintained, and should the railway board, on application, increase the fares, the city is to then be paid four per cent. of the gross receipts of the company.

"The company is granted under this agreement an 'exclusive franchise' for all passenger transportation on the city streets, except by cabs and taxicabs at tariff rates, with the understanding that jitneys will be permitted to run until June 30, 1928, the city agreeing to not issue any new license or transfer any now in force.

Other Concessions

"Some further minor concessions are granted the company, such as, a reduction in charges for snow removal and the right to carry advertising signs on the outside of the cars.

"Under this agreement, if approved, the company undertakes to purchase and put into operation the first year, 24 new cars and eight buses, and during the second year, install twelve new cars and four more new cars or buses as required and to construct car barn and repair shops to cost $250,000. During the third year, the company will put on twelve new cars and four buses or cars as required. The improvements will cost approximately $1,100,000.

Option of Purchase

"The city has, under by-law 624, the option of purchasing the railway by arbitration on December 22, 1928, and at the expiration of each five-year period thereafter. The agreement is not all we desire or asked for, but under all the circumstances, the company considered it expedient to accept the terms offered by the city and have the proposition submitted to the electors. The fixed price for transportation running over a term of years is almost a thing of the past. It is now generally recognized by municipal authorities and managers of transportation that what the people want is service and that they are willing to pay for it.

"This agreement, if approved by the electors, will make possible a wonderful improvement from the standpoint of the riding public in the local transportation system, and will I hope, aid very materially in the fulfilment of our efforts for an efficient and properly co-ordinated trolley and bus service and a stronger co-operative spirit between city, company and street car riders."

The agreement as it stands has the unanimous support of the city council and it is expected that it will be favorably regarded by the ratepayers as a way out of the dilemma created following the vote earlier in the year when purchase of the system was defeated as was a second by-law providing for a renewal of the franchise.

Dividend in 1927 Talked For Barcelona Traction

Some recent buying of Barcelona is attributed to English interests. This stock has held its price very well during the recent unsettled period. It is evidently being bought in anticipation of a dividend, which informed interests say will come in 1927. The comeback of Barcelona has been remarkable, and has exceeded the most optimistic anticipations of its sponsors, who even two or three years ago failed to see any prospects for the holders of the common stock within a reasonable measure of time. The financial rehabilitation of the company has materially lightened the burden of fixed charges and outward evidence of its improved position is found in the restoration of the preferred stock to a full seven per cent. dividend basis. Net earnings for the first two months of 1926 are approximately 11,000,000 pesetas, which at the present rate of exchange of approximately 14½ cents works out on an annual earning basis of $10,400,000.

WINNIPEG ELECTRIC WILL FIGHT O.B.U.

WINNIPEG. — Emphasizing the fact that the Winnipeg Electric company is prepared to recognize and negotiate with a separate organization of its motormen and conducters, in addition to the Amalgamated Association, with local 99 of which it already has signed an open shop agreement which provided one of the means whereby employees can deal collectively with the company in matters of wages and working conditions and puts the bus drivers and one-man car operators on a parity in regard to wages, or 6½ cents an hour higher pay than that of the regular street car employee, increases the minimum wage from $19 to $20 and the working fund from $35 to $40. A. W. McLimont, president and general manager, Friday, sent to all motormen and conductors a letter, which, in part, is as follows:

"In view of the fact, however, that a group of our employees do not at present belong to the Amalgamated Association, the company is prepared to recognize a separate organization of its motormen and conductors, provided that such organization is not affiliated with the O. B. U. or Central Labor Council. Such an organization could have all the privileges of collective bargaining and a separate agreement of its own embodying all the benefits of the agreement already made. The company is prepared at any time to negotiate such an agreement with a committee appointed by these motormen and conductors.

"The principal reason why the company takes the stand that it will only negotiate with committees representing groups or organizations of its employees not affiliated with the O. B. U., or Central Labor Council, is because of the disturbing influence which members of the Central Labor Council of the O. B. U. were able to exercise over a considerable body of employees last fall when damaging propaganda was broadcast against the company, and employees were urged not to properly perform their duties."

RATES
$2.50 & UNDER 5c
OVER 2.50 TO $5. 7c
" 5. " 10. 10c
" 10. " 30. 12c
" 30. " 50. 15c
" 50. " 60. 18c
" 60. " 80. 20c
" 80. " 100. 24c

WHEN remitting any amount up to $100, you will combine safety, economy and convenience by using Royal Bank Money Orders. They will be cashed by any Bank in Canada (Yukon excepted) without charge.

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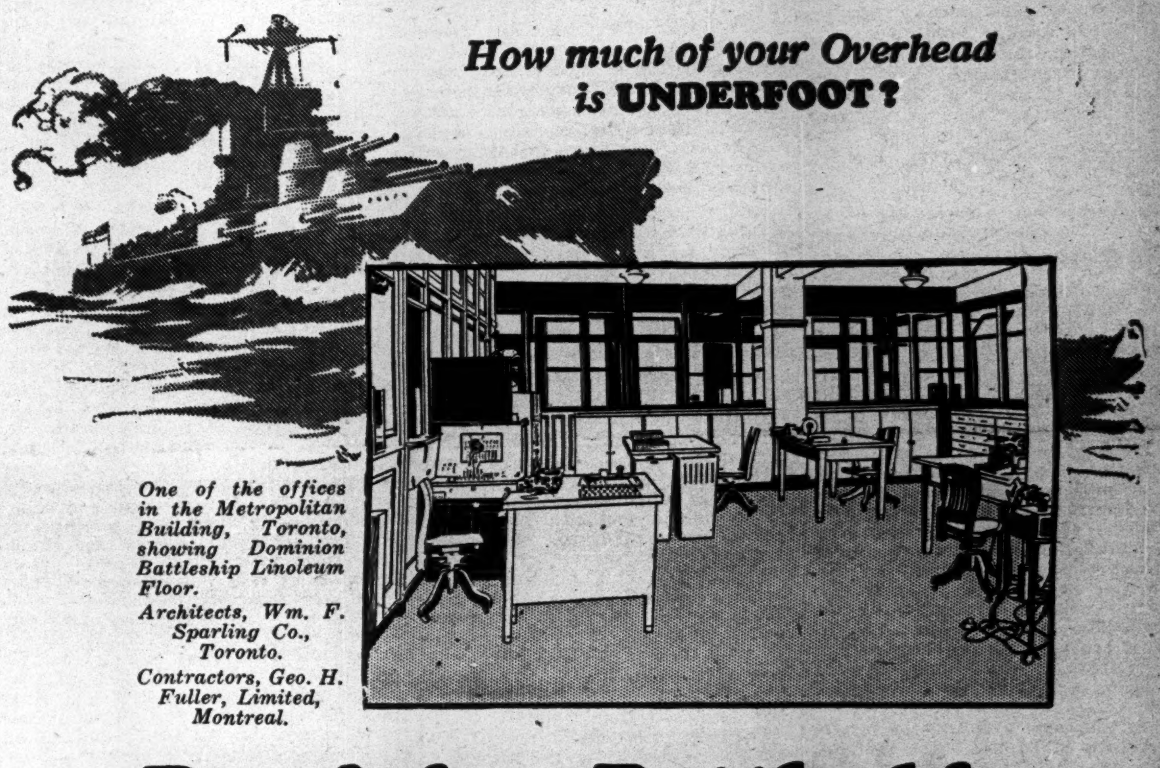
How much of your Overhead is **UNDERFOOT?**



One of the offices in the Metropolitan Building, Toronto, showing Dominion Battleship Linoleum Floor. Architects, Wm. F. Sparling Co., Toronto. Contractors, Geo. H. Fuller, Limited, Montreal.

Dominion Battleship Linoleum Floors are
Permanent, Sanitary, Quick to Lay

Public floors are easily chosen in Canada. Dominion Battleship Linoleum, made in Canada to suit Canadian climatic conditions, is available for every type of interior and the fact that it is installed and is giving satisfaction in leading banks, office buildings, departmental stores, schools, hospitals and public institutions in every Province, is ample proof of its popularity.

Dominion Battleship Linoleum is permanent. Its tough, resilient surface is impervious to the daily grind of heavy traffic. Its springiness takes all the jar and noise out of walking. It is smooth, non-slippery, non-absorbent, sanitary, easy to clean.

Properly laid, Dominion Battleship Linoleum becomes part of the building itself. You cannot wear it out. With it, the first cost is practically the last; an occasional waxing is all the upkeep needed.

Dominion Battleship Linoleum, AAA quality, is made in eight standard shades — brown, green, terra cotta, grey, buff, blue, black and white (used extensively for tiled floors). AA and A qualities are made in four standard shades only. Special colors for large contracts.

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Toronto - Montreal - Ottawa

Many Investors Find Their Tax Burden Heavier

(Continued from page 1)

tax under the old scheme would have been $409.50. Still he gains. If $4,000 of his income has been derived from dividends from Canadian companies his tax under the old plan would have been $262.50, and still he is making a saving, but a much smaller one. But if $6,000 of his income is from dividends, then his tax has gone up from $178.50 to the present tax of $255. The larger the amount received from Canadian dividends, the greater the increase in the tax.

Similar calculations show that men who invested their money in Canadian companies, either in their own businesses or others, and depend to any large extent upon such dividends for their income are going to be taxed much more heavily than formerly. This will apply to practically all such men—and women—except the very wealthy ones.

Tax Seven Times As Much

A man with $6,000 of income entirely from dividends will pay $70 in taxes under the new plan, assuming him to have a wife but no children, as against only $10.50 formerly. His tax is nearly seven times as much as it was.

Roughly speaking, it may be stated that any investor with an income largely derived from Canadian dividends has his tax increased unless his total income is over $50,000. Over that there are very real savings. And for the man whose income is about half derived from investments and half from salary, the tax is increased up for all incomes up to about $20,000. These figures are roughly estimated, of course, as many circumstances enter into individual cases.

Under the new schedules, the computation of the tax is made much more simple since the distinction between dividends and salaries is removed and the super-tax of 5 per cent. on the amount of normal and surtaxes payable is dropped. The amount of labor saved private individuals and government examiners in figuring taxes is prodigious.

Getting the Tax-Evader

Various regulations have been formulated to bring in line certain classes of income that in the past have evaded payment of tax. The new regulations are very sketchy, but in the final draft will be thoroughly comprehensive. This final draft legislation should clean up many doubts that exist as a result of the present haziness on many points. The final regulations are not available as this is written.

It is now declared that premium received on redemption of stock shall be considered income. This is aimed at companies that wind up their affairs and distribute over par for their shares. The Financial Post understands that it is not specifically intended to cover the case of a corporation that redeems an issue, say, of preferred stock at 110 when the redemption price is set forth in the terms of the issue. However, more detailed regulations are needed to interpret the new clause.

Another new clause provides that an advance by a corporation to a shareholder shall be considered income if the corporation has any surplus on hand. This covers evasion by calling a dividend by some other name.

A further clause defines as income any return of capital by a company which has distributed income. How this will strike home can best be illustrated by reference to a specific case. During the past year a large company with a capital of a million dollars wrote its capital down to a small fraction of this and distributed the difference to shareholders in proportion to holdings. Under the former act, this would not have been considered income, but the new regulation is intended to leave no doubt on the point and to call it income. Incidentally, it seems likely that such distributions made in 1925 will be taxed.

It is stated, too, that in the future if a corporation capitalizes its undistributed income or surplus in the process of reorganization or readjustment of its capital, that the shareholders shall be deemed to have received a dividend.

Carrying of Unproductive Assets

Provision is made that a corporation shall not be allowed to carry unproductive assets, that have no relation to its business, deducting the carrying charges on such assets from income. For instance, a man owning or controlling an incorporated company would not be allowed to put his own vacant real estate in the name of the corporation in order to charge the taxes, etc., against the company. Nor would a lawyer or merchant be allowed to deduct from his fees or profits such charges that do not bear a specific relation to his business.

Of most significance, though, in tightening up income tax administration, is the regulation aimed at the one man corporation. As has been generally known, a great many of Canada's wealthy men have incorporated themselves into companies. They have turned their securities over to these companies, and have thus had to pay only the corporation tax rate of 10½ per cent., instead of the higher sur-tax rates on the income from these securities. They have been able by this process to deduct losses on securities sold. The new law provides that the income of such a corporation shall be considered as taxable income, and moreover it is stated by Hon. G. H. Boivin that the income tax branch intends to go back five years in taxing the incomes of such corporations.

Not to Affect Holding Companies

According to information from the tax department there is no intention of enforcing this provision in a way that will mean triple taxation of the income of holding companies formed for purposes other than tax evasion. Final regulations will, The Financial Post is informed, make this point definite.

For instance, there are companies organized to consolidate holdings of securities. Such, for instance, is the Power Corporation of Canada, which controls large blocks of stock in various power companies, but does not in itself operate a single plant. Its income is entirely investment income, derived from dividends. The companies, from which it derives its income, pay the ordinary corporation tax. If the Power Corporation were to be charged up with the tax on the dividends it received and investors were again to be taxed upon their dividends from the Power Corporation this would mean that the same income would be taxed three times. The income tax branch, it is stated, will rule that such income of holding companies will not be taxed.

The ruling will affect Ogilvie Flour Mills, which derived a large part of its income from investments in stocks, as well as C.P.R., and other large corporations which, at first glance, appeared to be in for a greatly increased taxation.

Other Tax Dodging Plans

It is anticipated, though, that wealthy tax evaders will find the new regulations merely an irritant and not a deterrent to tax evasion. Various plans have already been worked out that will enable them to continue to evade the taxes they would otherwise be called upon to pay upon their incomes.

One plan is to form an American corporation, incorporated under the laws of one of the American states that sell charters for a song, such as Delaware, and to transfer the entire assets of the Canadian corporation to the American corporation. A second suggested plan is to transfer the Canadian assets to an American trust company for administration. In these ways, the corporation would come under American income tax, but for very wealthy men the American taxes would be much lower. It is felt, though, that many men who considered personal incorporation honest as a means of tax evasion would hesitate to incorporate under American laws as being too apparent tax dodging.

Another new clause in the income tax regulations is aimed at the type of high financial juggling formerly indulged in, of using a dummy incorporation to buy securities and paying for them out of the dividends on the securities, without paying taxes on the dividends when received.

Sell Canadian Securities?

One effect of the new tax evasion regulations and of the taxation of dividends is already foreseen; it is the shifting of some Canadian capital to the United States. This implies an acceptance of dishonest and illegal tax evasion methods, but stock brokers and bankers do not hesitate to forecast the movement. What is suggested is that Canadians will sell their Canadian stocks and buy American stocks. The tax department can easily trace the income from Canadian stocks, but would have greater difficulty in checking up on income from American securities.

Formerly the exemption of Canadian dividends from the normal tax provided a real incentive to many investors to put their funds in Canadian stocks rather than in American stocks. This applied to the great majority of investors. Now they are in the position of having had that inducement taken away from them while the out and out tax evaders have a still further reason for buying American stocks.

Canadian Income Taxes Are Still Above U.S. Mark

Canadian income taxes remain above the United States level under the rates introduced in the new Robb budget.

The United States income tax is based upon the allowance of an exemption of $3,500 for married persons and an additional $400 for each child. These figures compare with $3,000 and $500 in Canada.

In the United States, the first $4,000 of income in excess of these exemptions is taxed at 1½ per cent. The next $4,000 is taxed at 3 per cent. and the entire balance at 5 per cent. In addition there are taxes on incomes in excess of $10,000 of taxable income.

"Earned incomes" up to $20,000 get a 25 per cent. exemption in the United States.

In the following table, the taxes are compared on the basis of the Canadian rates that have been in force; the rates that are coming into force, and the rates that recently came into force in the United States.

Married Man Without Dependents

Income	Former Tax	New Tax	U.S.A. Tax
$ 1,000	$	$ ...	$ ....
2,000	....	...	....
3,000	40.00	...	....
4,000	80.00	20	5.63
5,000	126.00	40	16.88
6,000	178.50	70	28.13
7,000	283.50	110	39.38
8,000	388.50	160	56.25
9,000	504.00	220	78.75
10,000	619.50	290	101.25
15,000	1,291.50	790	311.25
20,000	2,089.50	1,540	618.75
25,000	3,024.00	2,530	1,158.75
50,000	9,649.50	8,380	[illegible]
100,000	32,749.50	23,830	16,058.75
200,000	97,849.50	64,370	41,058.75
300,000	169,249.50	108,810	66,058.75
400,000	243,799.50	155,250	91,058.75
500,000	318,349.50	203,690	116,058.75
1,000,000	696,349.50	453,660	241,058.75

Income Tax Guide

Brief Rules for Determining Your Income Tax Under the New Rates

Those eligible to pay an income tax in Canada include Canadian citizens, and any non-citizens who reside in Canada for a period of 183 days, who may be employed or in business in Canada or who derive revenue from Canadian investments. Aside from certain deductions and exemptions, the taxable income includes every manner of revenue in addition to ordinary salary and wages, such as pensions, bonuses, premiums, commissions, dividends, interest, rent, professional fees, and any income that may be considered annual profits.

Exemptions and Deductions

Certain federal bonds are exempt from the income tax. There is also exemption in the case of military pensions paid either to a member of His Majesty's forces or allies, or their dependents, as a result of injuries received in the World War, and on legacies, proceeds of life insurance policies, gifts, etc., but the interest earned by the investment of these is not exempt. Annuities under annuity contracts are exempt from the tax as is also money acquired through speculation, when speculation is not the major occupation of the taxpayer.

In arriving at the net income, one should deduct traveling expenses necessary to the carrying on of one's business or profession; taxes, repairs and fire insurance on land or buildings which are retained for pecuniary purposes, but not for domicile; interest on loans other than for personal use or a mortgage on the taxpayer's own residence; retirement or superannuation funds; carrying costs on investments such as securities not in excess of the income derived therefrom. Depreciation allowance is made in the case of motor cars used in the taxpayer's business at the rate of 25 per cent. for the first year, 15 for the second and 10 for the third and subsequent years. In the case of buildings the depreciation allowance is within the discretion of the minister. Income taxes paid in another country may be deducted under certain conditions. It must not exceed the tax that would have been paid in Canada.

Certain Exemptions Apply

Unmarried persons are exempted from taxation on the first $1,500 of their incomes. The exemption is $3,000 for married persons, and for individuals supporting a dependent parent or grandparent, or a daughter or sister, or a son or brother under 21 and incapable of self support. Where a husband and wife have each a separate income in excess of $1,500, each shall receive an exemption of $1,500 in lieu of $3,000 for one of them.

For each dependent child under 19, married persons receive an additional exemption of $500, and parents receiving separate incomes and dividing their exemption $1,500 apiece may determine how they will allot the exemption for children.

There is no longer any division into normal tax, sur-tax and super-tax, but a straight sliding scale is in force. On the first $2,000 of taxable income the rate is 2 per cent; on the next $1,000 of taxable income the rate is 3 per cent., and so on according to the following table:

On the first $2,000 of income or any portion thereof					2%
On the amount in excess of $2,000, but not in excess of $3,000					3%
Do.	$ 3,000	do.	$ 4,000		4%
Do.	4,000	do.	5,000		5%
Do.	5,000	do.	6,000		6%
Do.	6,000	do.	7,000		7%
Do.	7,000	do.	8,000		8%
Do.	8,000	do.	9,000		9%
Do.	9,000	do.	10,000		10%
Do.	10,000	do.	11,000		11%
Do.	11,000	do.	12,000		12%
Do.	12,000	do.	13,000		13%
Do.	13,000	do.	14,000		14%
Do.	14,000	do.	15,000		15%
Do.	15,000	do.	16,000		16%
Do.	16,000	do.	17,000		17%
Do.	17,000	do.	18,000		18%
Do.	18,000	do.	19,000		19%
Do.	19,000	do.	20,000		20%
Do.	20,000	do.	25,000		21%
Do.	25,000	do.	30,000		22%
Do.	30,000	do.	35,000		23%
Do.	35,000	do.	40,000		24%
Do.	40,000	do.	45,000		25%
Do.	45,000	do.	50,000		26%
Do.	50,000	do.	55,000		27%
Do.	55,000	do.	60,000		28%
Do.	60,000	do.	65,000		29%
Do.	65,000	do.	70,000		30%
Do.	70,000	do.	75,000		31%
Do.	75,000	do.	80,000		32%
Do.	80,000	do.	85,000		33%
Do.	85,000	do.	90,000		34%
Do.	90,000	do.	95,000		35%
Do.	95,000	do.	100,000		36%
Do.	100,000	do.	110,000		37%
Do.	110,000	do.	120,000		38%
Do.	120,000	do.	130,000		39%
Do.	130,000	do.	140,000		40%
Do.	140,000	do.	150,000		41%
Do.	150,000	do.	175,000		42%
Do.	175,000	do.	200,000		43%
Do.	200,000	do.	250,000		44%
Do.	250,000	do.	3000,00		45%
Do.	300,000	do.	350,000		46%
Do.	350,000	do.	400,000		47%
Do.	400,000	do.	450,000		48%
Do.	450,000	do.	500,000		49%
Do.	500,000				50%

It should be carefully noted that a different rate per cent. applies against each successive block of income. The tax on $10,000 of taxable income is not 11 per cent., or $1,100, but only $560, arrived at by taking 2 per cent. of the first $2,000, 3 per cent. of the next $1,000, etc.

In the case of a partnership, there is no tax upon the income of a partnership as such, but each of the partners must pay upon his share of the income of the business. In the case of an estate, the income in taxable whether the estate has been distributed or not, and the form must be properly completed accordingly. After an estate has been distributed each benficiary should include in his return all income received from his share of the estate.

The 31st of March is the date for filing forms T3, T4, and T5. The first is that of executors and trustees having to do with the revenues of estates and trusts. The second is that of employers and of incorporated companies with respect to their employees. The third has to do with the dividends of incorporated companies paid to shareholders. The 30th of April is the last date for the filing of forms T1, T1a and T2, which are the statements of individuals, of farmers and ranchers, and of the income returns of incorporated companies. At least one-quarter of the estimated tax must be forwarded to the Inspector of Taxation.

Corporations

A corporation tax of 9 per cent. is applicable in the case of all companies whose income exceeds $2,000. When the income in in excess of $5,000, the rate of the tax is increased by 5 per cent. There are several deductions and exemptions for which the actual text of the act should be consulted.

Farmers

The farmer and the rancher are required to fill in form T1a, which requires the inclusion of much detail. Deductions include board and wages of hired help, cost of seed and fertilizer, cost of small implements and repairs to same, interest on a mortgage or unpaid purchase price of the farm, etc. Depreciation is allowed on buildings and certain equipment.

How to Figure Tax on Income of $1,000,000

Have you an income of $1,000,000? Here is how you would figure out your tax, which would amount to $453,660. The case cited is of a married man without dependent children.

Income		$1,000,000
Exemption		3,000
Taxable income		$ 997,000
Tax at 2% on	$ 3,000 ..	40
Tax at 3% on	1,000 ..	30
Tax at 4% on	1,000 ..	40
Tax at 5% on	1,000 ..	50
Tax at 6% on	1,000 ..	60
Tax at 7% on	1,000 ..	70
Tax at 8% on	1,000 ..	80
Tax at 9% on	1,000 ..	90
Tax at 10% on	1,000 ..	100
Tax at 11% on	1,000 ..	110
Tax at 12% on	1,000 ..	120
Tax at 13% on	1,000 ..	130
Tax at 14% on	1,000 ..	140
Tax at 15% on	1,000 ..	150
Tax at 16% on	1,000 ..	160
Tax at 17% on	1,000 ..	170
Tax at 18% on	1,000 ..	180
Tax at 19% on	1,000 ..	190
Tax at 20% on	1,000 ..	200
Tax at 21% on	5,000 ..	1,050
Tax at 22% on	5,000 ..	1,100
Tax at 23% on	5,000 ..	1,150
Tax at 24% on	5,000 ..	1,200
Tax at 25% on	5,000 ..	1,250
Tax at 26% on	5,000 ..	1,300
Tax at 27% on	5,000 ..	1,350
Tax at 28% on	5,000 ..	1,400
Tax at 29% on	5,000 ..	1,450
Tax at 30% on	5,000 ..	1,500
Tax at 31% on	5,000 ..	1,550
Tax at 32% on	5,000 ..	1,600
Tax at 33% on	5,000 ..	1,650
Tax at 34% on	5,000 ..	1,700
Tax at 35% on	5,000 ..	1,750
Tax at 36% on	5,000 ..	1,800
Tax at 37% on	10,000 ..	3,700
Tax at 38% on	10,000 ..	3,800
Tax at 39% on	10,000 ..	3,900
Tax at 40% on	10,000 ..	4,000
Tax at 41% on	10,000 ..	4,100
Tax at 42% on	25,000 ..	10,500
Tax at 43% on	25,000 ..	10,750
Tax at 44% on	50,000 ..	22,000
Tax at 45% on	50,000 ..	22,500
Tax at 46% on	50,000 ..	23,000
Tax at 47% on	50,000 ..	23,500
Tax at 48% on	50,000 ..	24,000
Tax at 49% on	50,000 ..	24,500
Tax at 50% on	497,000 ..	248,500
Total income $1,000,000		
Totax tax		$453,660

Colombian Pipe Line to Operate on 1st of May

Potential daily production of the Tropical Oil Company, a subsidiary of International Petroleum, operating in Colombia, has exceeded the 50,000-barrel-mark. A. M. McQueen, vice-president of Imperial Oil, and International Petroleum, has returned to Toronto, after a visit to the South American fields. He states that the Andian National Corporation pipeline would be ready for partial operation on May 1. With four stations operating, the pipeline will have a daily capacity of 18,000 barrels at the outset. With eight stations operating, the pipeline can handle 30,000 barrels a day by the middle of June. The Colombian oil situation is developing very satisfactorily. New wells are being brought in regularly, and the weekly increases in potential production since the beginning of this year have averaged somewhat greater than in the preceding months. The estimate of a potential production of 50,000 barrels daily is quite a conservative one.

FANNY FARMER SALES UP

Sales of Fanny Farmer Shops, Inc., for the first quarter of current year amounted to $692,016, as compared with $506,672 a year ago, or a gain of 36½ per cent. Sales for month of March were $232,211, as against $163,040 in 1925, or an increase of 42 per cent.

SAYLOR A BANK DIRECTOR

Announcement was made to-day of the appointment of P. D. Saylor, to the Advisory Board of the Madison Avenue office of the Bank of Manhattan Co., the oldest chartered bank in the United States. Mr. Saylor is the president of Canada Dry Ginger Ale, Incorporated.

WINGHAM RUBBER COMPANY

WINGHAM.—The Wingham Rubber Company, Wingham's newest industry, was started on its career at a meeting of the shareholders at the company's offices recently. This company is the successor to the Aero Cushion Inner Tube and Rubber Company, of which company it has acquired the plant, machinery, patents, trademarks, formulae, and stock on hand.

These Are the Regulations to Prevent Evasion of Tax

"The income of a personal corporation (being a corporation controlled by one person or his family, the income of which is derived from investments or dealing in investments) shall each year be deemed to be distributed as a dividend to the shareholders and taxable accordingly,

"The carrying charges or expenses of unproductive property or assets not acquired for the purposes of a trade, business or calling, or of a liability not incurred in connection with a trade, business or calling shall not be allowed as a deduction in determining income,

"Any distribution or advance made to the shareholders of a corporation shall be deemed to be a dividend to the extent that such corporation has on hand undistributed income and such dividend shall constitute income of the shareholder of the year during which the distribution or advance is made,

"Where a corporation having undistributed income on hand reduces its capital stock, then to the extent that such corporation has on hand undistributed income the amount received by the shareholder by virtue of the reduction of the capital shall be deemed to be a dividend and to be income received by the shareholder,

"Where a corporation having undistributed income on hand redeems its shares at a premium, the premium shall be deemed to be a dividend and to be income received by the shareholder,

"Where a person or persons, owning shares of a corporation which has undistributed income on hand, transfer such shares or a portion thereof to a second corporation promoted at his or their instance or controlled by him or them, which second corporation subsequently receives a dividend from the first mentioned corporation and, within a period of three years from the date of such share transfer, applies the income thus received, in whole or in part, directly or indirectly,

"(a) in payment of the shares purchased by the second corporation from such person or persons or,

"(b) in the discharge of any liability incurred to such person or persons by reason of and in connection with the purchase of such shares or,

"(c) in the discharge of a loan obtained by the second company for the purpose of paying for such shares, then such person or persons shall be taxable in full in respect of such dividend as if he or they had received it in the year that the first-mentioned corporation declared the dividend,

"When, as a result of the reorganization of a corporation or the readjustment of its capital stock the whole or any part of its undistributed income is capitalized, the amount capitalized shall be deemed to be distributed as a dividend during the year in which the reorganization or readjustment takes place and the shareholders of the said corporation shall be deemed to receive such dividend in proportion to their interest in the capital stock of the corporation or in the class of capital stock affected."

Dodge Brothers Take Lead in Importing American Cars

That American automobile companies will, under the new tariff regulations contained in the federal budget, find it to their advantage to bring in cars from the United States rather than manufacture in Canada, is definitely indicated in the statement that the Dodge Brothers Company is already importing, and is not expected to do further manufacturing in Canada. Some of the other companies are expected to follow example.

CANADIAN WESTERN LUMBER

Sales of lumber for the month of February, reported by the Canadian Western Lumber Co., amounted to 12,658,818 feet which realized $301,650. This compares with 6,540,866 feet sold during the same month in 1925, realizing $163,192, or an increase of $138,458. The aggregate lumber sold for the first two months of the year amounted to 23,526,217 feet, realizing $546,177, compared with 15,079,081 feet, realizing $359,387 for the corresponding two months last year.

Canadian National Railways

BUREAU OF INFORMATION

A STAFF of officers, qualified to give information of the widest possible character, based upon a practical knowledge of the country, is maintained for the convenience of all persons desirous of investigating opportunities in Canada for investment of capital in development of industrial, mining, sylvan industries and water power.

Enquiries invited.

Natural Resources Branch, C.N.R. General Offices, Montreal, P. Q. — C. Price-Green, Commissioner.

Caulder's Creameries Limited

A Consolidation of

Saskatchewan Creamery and Ice Cream Company Limited

Caulder's Creameries Ltd. was organised with the object of taking over Western Creameries Ltd., which company operated ten branches, principally in northern Saskatchewan with the principal business in the city of Saskatoon, and Sask. Creamery & Ice Cream Co. Ltd., which operated twelve branches, all in southern Saskatchewan.

Caulder's Creameries is incorporated under a Dominion charter with a capital of $800,000, $600,000 being in the form of 7 per cent. Cumulative, Participating, Preference stock, and $200,000 Common stock. In both cases the shares have a par value of $10 each.

OUTSTANDING STOCK

Preferred	$311,000.00
Common	200,000.00
Net Income of Combined Companies for 1925	**$92,013.41**

The fixed charges necessary to provide for bond interest, and Preferred dividends, also income tax on Preferred dividends, on the basis of capital stock outstanding at present are as follows:

Bond interest	$ 35,000.00
Preferred dividends	21,770.00
Income tax	2,177.00
	$58,947.00

DIRECTORS

The Company has a board of twelve Directors as follows:

J. A. CAULDER, General Manager, Moose Jaw.
R. SWIFT HODSON, Vice-President, Moose Jaw.
THOS. MILLER, Pres. Times Co. Ltd., Moose Jaw.
GEORGE BARR, Pres. Barr Lumber Co. Ltd., Shaunavon.
L. J. BRAZZIEL, Pres. Brazziel Lumber Co., Gravelbourg.
W. R. BRODIE, General Merchant, Empress, Alta.
H. D. STEPHEN, Druggist, Assiniboia.
W. J. REDMOND, Prop. Maple Creek News, Maple Creek.
O. W. ANDREASEN, Mgr. Northern Branches, Saskatoon.
JAS. PRIEL, Contractor, Saskatoon.
IVAN BYERS, Butler-Byers Bros. Ltd., Saskatoon.
L. G. CALDER, Sheriff, Saskatoon.

MAKERS OF PARTS MUCH DISTURBED BY NEW TARIFFS

Protection No Benefit if the Market is Destroyed

The new tariff regulations affecting the automobile industry have created a very unsettled situation as regards the relations of the car makers and the parts manufacturers. At the meeting of the parts manufacturers in Toronto this week, the statement was made that it had been intimated to the car makers that if the cut in the duty was too heavy then there might be some concessions worked out and it was suggested that they should make proposals as to what might be done with regard to materials and parts. T. A. Russell stated that the makers had taken the stand that although the government might, without knowledge, make radical changes in the duty on cars, the manufacturers of these cars did not propose to say what should or could be done with regard to the duties on parts and materials.

It was stated at the meeting that the duty on cars would now be lower than on some of the component parts and the question was raised as to the advantage of a protective duty on products for which there was no market.

The parts manufacturers will go to Ottawa and ask that the whole matter be referred to the tariff commission for analysis. A resolution passed points out that the drastic action which has now been taken is not in accordance with the pre-election assurances of the premier as to maintaining industrial stability by the appointment of a tariff board. The resolution says in part:

"We direct your attention to the fact that in 1925 the sale of Canadian-made automobiles and motor trucks at home and abroad amounted to 107 million dollars, and that at least 100,000 people are dependent on this industry and its allied industries.

"We firmly believe that these tariff reductions, accompanied by similar sweeping reductions on parts, materials and supplies, will gradually diminish these industries until many of them are practically extinguished, thereby transferring capital and opportunities for employment to the United States. All this damage is being done for the announced purpose of making motor cars cheaper, at least temporarily.

"If that is the reason, the government had it within its power to make automobiles much cheaper by removing the excise duties and sales tax. In the case of a car valued at $3,000, excise and sales taxes paid direct to the government amount to $390. In the case of a car costing $1,000, excise and sales taxes paid to the government amount to $100. Price reductions of these amounts could have been made immediately if the government had removed its excise and sales taxes, without disturbing the industry or depriving anyone of employment.

"In 1905, a total of 117 motor vehicles was produced in Canada. In 1925 a total of 159,766 was produced. During the struggle to build up this great industry, a number of companies have failed financially. Others are just getting to the point when they will receive a return on their investment, and during the past twenty years only two or three companies have made satisfactory returns on their capital.

"We make our appeal in the hope that the government will not persist in a course that is certain to drive out of Canada a great industry, which it has taken twenty years to establish, and which could add greatly to the trade and wealth of the country, and could furnish work for many thousands, in addition to those now employed."

Shell Company to Bore for Oil in Okanagan

VANCOUVER.—With a view to boring for oil, the Shell Oil Co. has secured options on territory in the Okanagan Valley. It may easily be that British Columbia will have its oil flurry, though it will take some months before any definite results are obtained.

AUTO TARIFF CUT AFFECTING BASIS OF OUR INDUSTRY

(Continued from page 1)

and supplies are affected—even to office equipment and stationery used in connection with the plant.

83 Items Affected

According to Mr. Russell the tariff reduction affects a total of 83 items on the Canadian import schedule; this is about 15 per cent. of the total. In many cases the duty will now evidently be higher on the parts and materials entering into the manufacture of the car than on the completed vehicle.

A very important point made by manufacturers has been voiced by Mr. Carlisle. It is that in Canada, with a comparatively smaller market than the United States and with a short season, the only hope of a successful industry is the export market which increases the total output and spreads the demand over the year. Now the manufacturers fear that this export market has been lost and with it, to a large degree, the hope for profitable operations. In the case of Mr. Carlisle's company, the export business in automobile tires amounts to about 60 per cent.

Manufacturers Misunderstood

At the meeting of the manufacturers of automobile parts on Wednesday, President Carlisle, of the Goodyear company, stated candidly that in his opinion the automobile manufacturers in Canada had not made their case with the Canadian public. For this he thought the car manufacturers themselves to blame. He also stated his belief that while tariff protection was necessary for the upbuilding of industry in Canada it should not be employed to its full limit to keep up prices after industry has been established on a profitable basis. In brief, he argued that the tariff should be employed for the upbuilding of industry and not for the extortion of unjustified profits.

The manufacturers will present their case at Ottawa. They will ask that the question of tariff revision be referred to the newly-formed tariff board. There seems to be confidence that with a man like Hon. G. P. Graham as chairman the case would be given a fair and considerate hearing by that body. But there does not appear to be great hope that this request will be complied with. T. A. Russell informed the meeting of parts manufacturers that the one request which had been made of the government by the car makers was that the matter should be referred to the Tariff Board and no attention had been paid to that request.

A Real Crisis

The manufacturers believe that they are facing a crisis—the extent of which cannot as yet be fully judged. On behalf of the automobile makers T. A. Russell says that they are making no bluff and no stage plays. Under the conditions as they now appear he says that all those companies affiliated with American companies which can supply the Canadian market will withdraw from this country.

Another indication of the ramifications of the automobile industry is given in the following list of industrial communities in which manufacturing plants will be affected by anything which seriously curtails the output of Canadian-made cars:

"Acton, Belleville, Bowmanville, Brampton, Brantford, Bridgeburg, Brockville, Chatham, Coaticook, Cobourg, Deloro, Doon, Dunnville, East Broughton, Elsos, Ford City, Galt, Gananoque, Guelph, Haliburton, Hamilton, Hermon, Nutton Falls, Ingersoll, Kingsville, Kitchener, Lindsay, London, McDougall Mills, Merritton, Midland, Milton, New Toronto, Niagara Falls, Orillia, Oshawa, Ottawa, Owen Sound, Paris, Peterborough, Pickering, Port Hope, Preston, Sandwich, Sarnia, St. Catharines, St. Thomas, Tilbury, Toronto, Walkerville, Wallaceburg. Waterloo, Welland, Windsor, Woodstock."

Some interesting information as regards the importance of the automobile industry to Canada is taken from the case for the manufacturers presented at Ottawa by T. A. Russell:

Employees directly engaged in motor car manufacture not including salesmen, garagemen, etc.	11,389
Salaries and wages paid	$70,595,282
Capital investment, including buildings, plants and machinery	$39,345,915
Value of production at wholesale prices	$107,694,168

The manufacture of materials and parts for the industry is equally important and is divided over a wide range of industries and in many centres of Canada. Two hundred firms reporting to the Automotive Industries of Canada showed the following figures:

Employees	11,597
Wages and Salaries	$14,036,668
Capital Investment	$47,126,840
Value of production at wholesale prices	$61,588,344

The importance of the industry as a part of Canadian business life may thus be seen, in the fact that more than 22,000 persons are immediately employed and drawing their livelihood from the manufacture of motor cars and motor car materials. In other words, at least 100,000 persons are being supported by the automotive industry in Canada, without taking into account in any way those identified with the servicing of motor cars through the various organizations. Furthermore, it is emphasized that the above figures only include information received from some 200 manufacturers of parts and materials, whereas the actual number of manufacturers is considerably higher.

The importance of this to Canada's commercial activity is seen in the fact that the combined payroll amounted to $31,631,950; in other words, more than $100,000 per day in wages and salaries were paid to employees in Canada during 1925. Obviously, anything which would affect, even to a slight degree, an industry of such importance will have a direct bearing upon general business and employment in Canada.

The payment to the railways of Canada for freight on finished motor cars and trucks, and on materials and parts, paid by the firms answering our questionnaire to date, amounted to $7,715,438 in one year, or over $25,000 per day for every working day.

The Canadian purchaser has, at all times, been able to purchase a Canadian-made car for less than he would have paid for the imported car, plus the duty. The following figures illustrate some of the reasons why the difference in price exists.

The motor car dealers, like other merchants, purchase their cars for resale at a discount from the list price, and on any $100 of retail price it may generally be stated that $25 goes to the dealer and $75 to the manufacturer.

In 1925 the total output of the manufacturers of Canada was	$107,694.168.00
The value of goods exported	40,387,904.86
Leaving the balance disposed in Canada.	$ 67,306,263.14

If instead of the Canadian-made cars, imported cars to this value had been purchased by the dealers in Canada, the duty that these cars would have paid in entering Canada would have been 35I/135 of the above figure, or approximately $17,000,000.

ONTARIO STEEL HIT BY TARIFF CHANGES

Vice-president Sampson Discusses the Effect on the Steel Industry

The proposed tariff changes as affecting the automobile industry have a direct effect on the business of the Ontario Steel Products Company and the decline in the market for the stock of that company is an indication that its business is likely to suffer to a considerable extent. The following statement on the situation and outlook has been issued by W. T. Sampson, vice-president and general manager:

The proposed changes in duties on motor cars must be viewed directly and indirectly.

1. As applying to our own business on the basis of present production.
2. As applying to our customers.
3. As applying to those to whom our customers sell their products.

In regard to the first, it is simply a statistical calculation. Two-thirds of our products (springs) are sold to the motor car manufacturers. The tariff on springs is 35 per cent. Now, under the clause permitting the automobile maker to obtain a rebate of 25 per cent. on imported parts, our protection automatically declines to 26¼ per cent. Our profits on motor car springs has always been small, so if we still continue the same saving as formerly to our customers this margin of profit will become almost negligible. At the same time if our volume of business continues as large as formerly, or taking the optimistic view, increases, we could still carry on.

We have three factories, one in Gananoque, one in Oshawa and one in Oshawa and one in Chatham, practically entirely confined to the manufacture of motor and truck springs. Our investment in this industry amounts to upward of one million dollars with approximately 500 employees.

As to our Customers: They must speak for themselves. Their inventory losses will be enormous, and I view their position with grave alarm, and with rather a superficial knowledge of their profits in various instances; am inclined to think they will find it difficult, if not impossible, to continue on a profitable basis, if at all. Certainly the establishment of any new companies or expansion of any of the existing ones on a 20 per cent. tariff is inconceivable.

Lastly, and perhaps most important of all is the dealers' position. At the peak of the season they find themselves loaded with cars—new and "used" that have depreciated, as it were, over night 15 per cent or more. A few motor car dealers are prosperous—some have been making a fair living, but many of them are on the point of insolvency. Their loss on new cars can be figured in a moment—being simply the difference between the old and new duty. The loss on "used" cars is not so easy to determine, but will be larger in proportion. For instance, a used car that was worth $500 a week ago would not likely bring over $350 to-day as the depreciation on a "used" car under declining prices is always greater than on new cars. These losses on new and used cars will bear most heavily upon the smaller dealer in the rural sections—due to the backwardness of the season this year and consequent inability to deliver cars actually sold to the ultimate consumer.

Present Clash Between Factory and Farm is Shown in Budget

THE tariff has been brought down and at once nearly every man has begun to figure its effect on his personal income and on his own business. In the majority of cases, he approves or disapproves according as the tariff has added to or taken away from his net earnings. This is unsound in principle and will never evolve a true national policy.

It is only natural that every man should examine the tariff first from its effect on his own business. He must do this in order to adjust his business to any changes that have taken place. He should realize, however, that the public have only one interest in his business and that is its relationship to them.

Canadian manufacturers expect to sell the bulk of their goods to Canadian people. Fifty per cent. of the population in Canada live on the farm or in small villages. They consume probably 50 per cent. of the goods sold by Canadian manufacturers. Protection will never be established on a firm basis in Canada until a fair percentage of these people believe in the principle of protection. It is not sufficient to tell them that industrial centres provide a good home market for them. It has to be worked out much more plainly and in greater detail.

The first step to take in winning over farmers to the principle of protection is to establish a feeling of confidence and good will between manufacturers and farmers. At the present time, farmers are convinced that manufacturers are not so much interested in the welfare of the country as they are in making money for themselves.

The manufacturers might very well take this position: Our first interest is the development, advancement and general prosperity of Canada. We believe a tariff which will in the main keep the Canadian market for the Canadian people is in the interests of all classes; we will do our utmost in the country's interests to acquaint Canadian people with these views; we will accept with good grace the policy decided upon by the elected representatives of the people, although if we do not consider such a policy in the best interests of Canada as a whole we will consider it our duty to continue to broadcast our views and convince the people of their merits.

Canadian manufacturers must think in terms of the general prosperity of the country, rather than in terms of the prosperity of their own particular business.

The basic principle of protection is that it retains the market for the home industry and enables home manufacturers to get sufficient production to gradually reduce costs and bring them in line with prices in foreign countries which maintain similar standards of living. There has been considerable criticism of Canadian manufacturers in that in many lines they have taken full advantage of the tariff and through combinations have eliminated the competition which would tend to increase efficiency and decrease costs.

The best argument for high protection is an example of a manufacturer who is turning out goods of equal merit with those of foreign countries, and yet is selling them at approximately the same prices. We have a few examples of this kind and we should have more.

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Tenth Annual Report

For The Fiscal Year Ending 31 December, 1925

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W. D. Ross, Toronto, Ont.
Lewis J. Seidensticker, Montreal.
Sir Thomas Tait, Montreal.
Dwight P. Thomas, New York, N.Y.
M. E. Williams, Montreal.
L. R. Wilson, Montreal.

OFFICERS

D. Lorne McGibbon	Chairman of the Board.
Lewis J. Seidensticker	President.
Sir Thomas Tait	Vice-President.
W. D. Ross	Vice-President.
S. J. LeHuray	Secretary.
M. J. Savage	Treasurer.
E. S. Johnston	Asst. Secretary-Treasurer.

To the Shareholders
Atlantic Sugar Refineries Limited.

Your Directors submit the Tenth Annual Report of your Company for the fiscal year ended December 31st, 1925.

A Statement of Assets and Liabilities as at December 31st, 1925, together with the Profit and Loss Account for the period, are appended.

Profits from operations, after provision for Income Tax, amounted to $1,246,391.46. Out of these profits the following charges have been provided for:

Bond Interest	$ 41,910.00
Bank Interest, Exchange and other interest	355,774.14
Reserve for Depreciation of Plant	355,376.14
Leaving a net balance for the year of	$493,331.18

The year's operations have further improved the current financial position to the extent of $940,670.47, in addition to which $100,000 of First Mortgage Bonds were retired.

The Refinery Plant has been maintained in a high state of efficiency. Expenditures for repairs and maintenance amounted to $86,510.47 and were charged against operations. Betterments amounting to $16,016.88 were added to Plant Account.

Sales of refined sugar for export were the largest in the Company's history and domestic business continued satisfactory.

The proceedings incidental to the reorganization of the Company in pursuance of the settlement agreed upon with the raw sugar creditors have been practically completed. Since the close of the fiscal year under review the total proceeds from the sale of 30,000 shares of new Common Stock having no par value have been paid into the Company by the subscribers and underwriters, and it is expected that the funding of the deferred indebtedness to the raw sugar creditors will be completed very shortly by the delivery of the new Second Mortgage Bonds to the creditors.

Respectfully submitted on behalf of the Directors,

LEWIS J. SEIDENSTICKER,
President.

BALANCE SHEET as at 31st DECEMBER, 1925

ASSETS

FIXED ASSETS:		
Land, Buildings, Wharves, Plant and Equipment	$5,965,421.41	
Franchises, Leases and Goodwill	3,000,000.00	
		8,965,421.41
CURRENT ASSETS:		
Cash in Banks and on Hand	87,688.35	
Accounts and Bills Receivable	445,820.27	
Investments	139,825.00	
Inventories	1,149,943.76	
		1,823,277.38
OTHER ASSETS:		
Expenditure made on account of future business		35,194.54
Profit and Loss Account—Deficit		3,760,342.57
		$14,584,235.90

LIABILITIES

CAPITAL STOCK:		
Authorized—		
30,000 7% Cum. Con. Pref. Shares of $100 each	$3,000,000.00	
35,000 Common Shares of $100 each	3,500,000.00	
Since authorization 13,889 shares of Preferred Stock have been converted to Common Stock.		
Issued—		
11,111 7% Cum. Con. Pref. Shares of $100 each	1,111,100.00	
48,889 Common Shares of $100 each	4,888,900.00	
		6,000,000.00
NOTE—Dividend paid on Preferred Shares to 30th September, 1920.		
BONDS:		
Authorized—		
$2,000,000 First Mortgage 6% Bonds—Issued	1,570,000.00	
Less—Redeemed	775,000.00	
		795,000.00
LOANS:		
Secured by Inventories, by Hypothecation of $3,000,000 6% Second Mortgage Bonds due December, 1930, and other collateral	1,600,000.00	
ACCOUNTS PAYABLE & ACCRUED CHARGES:		84,373.65
ACCOUNTS PAYABLE (DEFERRED) with Interest accrued thereon to 31st December, 1925	4,324,124.72	
Less—Payments on Account	450,000.00	
		3,874,134.72
RESERVES:		
Bad Debts	40,000.00	
Depreciation and Contingencies	2,190,727.53	
		2,230,727.53
		$14,584,235.90

NOTE—$146,500 (Par Value) 1st Mortgage 6% Bonds purchased by the Company still outstanding are included in Investments.

CONTINGENT LIABILITY for Bills under Discount $147,170.00.

Approved on behalf of the Board.

D. LORNE McGIBBON,
Director.

LEWIS J. SEIDENSTICKER,
Director.

TO THE SHAREHOLDERS OF THE ATLANTIC SUGAR REFINERIES, LIMITED.

We have examined the accounts of the Atlantic Sugar Refineries, Limited, for the year ended 31st December, 1925, and have obtained all the information and explanations required by us. The Inventories of Stock on Hand as certified by the responsible Officials of the Company have been valued on a conservative basis, and the reserve for bad debts is, in our opinion, sufficient to cover probable losses. We hereby certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information, and the explanations given to us and as shown by the Books of the Company.

(Signed) MACINTOSH, COLE & ROBERTSON,
Chartered Accountants.

Montreal, 11th March, 1926.

PROFIT AND LOSS ACCOUNT
For the Year Ending 31st December, 1925

Deficit as at 31st December, 1924			$4,259,195.93
Less—Net amount applicable to previous years			5,522.18
			$4,253,673.75
Profit for the year after providing for Income Tax 1925, but before providing for the undernoted charges		$1,246,391.46	
Bond Interest	$ 41,910.00		
Bank Interest, Exchange and Other Interest	355,774.14		
Depreciation on Plant and Franchises	355,376.14		
		753,060.28	
			493,331.18
Deficit as per Balance Sheet			$3,760,342.57

THE FINANCIAL POST

Member Audit Bureau of Circulations.
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE
Editorial Director—F. S. CHALMERS
Editor—J. W. TYSON

A weekly newspaper, presenting in a popular manner, reliable information respecting investments and financial affairs in Canada.

Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

Reading matter, other than official reports of annual meetings, will not be accepted as paid advertising unless marked "Advertisement."

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration, or given any credit for the insertion or inspiration of any item.

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The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulation, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, APRIL 23, 1926

The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

OTTAWA'S INTEGRITY

CANADA'S record for a high standard of integrity in public affairs has again been maintained in regard to the 1926 budget. Despite the fact that for weeks the Ottawa corps of newspaper sleuths had been trailing every clue bearing on Mr. Robb's tariff and taxation plans, and that practically every business man in the country was seeking inside information as to what bearing the proposed changes would have on various phases of industry, the announcements as made indicated that there had not been the slightest leak. True, there had been forecasts that there would probably be a reduction in the tariff on automobiles as demanded by the Progressives and that the income taxes would be cut, but even on these phases the budget details as announced indicated that anything which had gone before had been merely surmise without official inspiration. Such changes as that affecting the postal rate came absolutely from a clear sky. Newspaper forecasts published in editions appearing only a few hours before the official news provided a marked contrast as between conjecture and fact.

Whatever opinions may be held in regard to Mr. Robb's budget there will be unanimous admiration for the manner in which he discharged his trust to the country in keeping secret the proposed changes until revealed to parliament in the budget speech. The difficulties in preventing leaks can be appreciated when the ramifications of the activities in planning changes are considered. Cases where Wall Street has secured inside information as to events at Washington have indicated the difficulties of maintaining public secrets. Ottawa officialdom is deserving of congratulations.

MODERN MERCHANDISING.

SOUND merchandising as the key to industrial success finds recognition in many quarters. From a former Canadian, now head of a large manufacturing concern that operates all over the United States and Canada from New York headquarters, The Financial Post receives a letter which contains this interesting comment:

"I feel from my checkup of the general situation in Canada, that the principal trouble up there is not the question of giving the manufacturers a higher tariff, but of getting them to see that the whole system and method of merchandising has changed within the past ten years; that, to be successful, they cannot go on selling their merchandise in the same way that they have been doing for the last 25 years. Merchandising methods have radically changed even in the past five years.

"There are a number of instances in Canada of modern merchandising methods which have been successful. Take the Goodyear Tire & Rubber Co. as one example. You will recollect it was not many years ago that they started in Canada from scratch, with three other companies, as competition and the three companies had been in business many years. To-day, I think, it is a fact that Goodyear is by far the largest manufacturer of automobile tires in Canada, and is fast becoming the largest manufacturer of mechanical rubber goods. They have done the job by simply applying a splendid merchandising plan.

"Naturally, I want to see Canada go ahead and I feel that this can only be done if the manufacturers in Canada will wake up and realize that there is a great opportunity to do some real merchandising, and this applies to any line of business. If, instead of reducing salaries and wages, they, through a comprehensive plan, were able to reduce distribution costs, which is exactly what happens, they would hold more of the good Canadian young men in Canada."

There is real food for thought for the Canadian manufacturer. To get down distribution costs involves a scientific merchandising plan. And the formulation of a sound merchandising plan requires a knowledge of distribution costs all down the line; of advertising methods, costs and results; of selection; training and payment of salesmen; and similar problems, that can only be obtained by the most intensive study.

POLITICAL EXPEDIENCY

THAT the government in the framing of the new federal budget paid attention to the demands of the Progressives rather than the interests of the agricultural industry would seem to be indicated in the charge of the fruit and vegetable growers of Ontario that their interests have been neglected. According to an interview in the Toronto Globe, E. C. Graves, M.P.P. for St. Catharines, charges that the government has broken faith with the fruit and vegetable farmers by not furnishing protection in the new tariff revision; he expresses the view that it is a most serious blow to the whole fruit and vegetable growing industry of not only the Niagara Peninsula but of the whole province.

Because of lack of protection the fruit growing industry of the Niagara district is said to be on the decline. Many farms are reported as being vacant or for sale. One farm which at one time commanded a price of $40,000, can now be bought for $31,000.

GOOD ROADS FOR WHOM?

"A GREAT deal of the increase of rural taxation in recent years has been to pay for paved highways mostly built for the use of city joyriders, but very little benefit to the farmers." This observation is by a rural Ontario editor and is directed "to the enlightenment of those city writers who say the farmers are not paying taxes."

Fifteen years ago there might have been some accuracy in the statement that the roads were used mainly by city drivers. But in the interval the motor car has become a farm necessity almost as much as the binder or mower. Statistics show a large percentage of Canada's 720,000 odd motor cars owned by the farmers. The light truck has become a dominant factor in the marketing of farm products all over Canada. And there are even a few "joyriders" among the younger generation of our farm folk.

But a larger aspect of the situation is the undisputed fact that the highways have become the arteries of industrial and commercial progress. They are the modern channels of cross-country freight and passenger transit. They are one of the important media by which the products of the farm and manufacturing plant alike are distributed to the markets of the country. While every road leads into a city or town, the same road leads to the country. No one observing the march of progress in Canada during the past decade could seriously say that the highways are "built mostly for the use of joyriders."

The other unsound assumption of the editorial is that the paved highways are paid for entirely by the rural communities. They pay their share, certainly, but they do not pay anything like the lion's share. The roads in question are mainly county and provincial highways. City "joyriders" do not choose township roads for joyriding. In Ontario, 80 per cent. of the support for provincial highways comes from provincial taxes. Even in the case of country roads, the province pays half the cost.

And it need hardly be pointed out that it was the recognition of the motor car as a farm "necessity" which led to the budget reduction in the duties on automobiles in accordance with one of the main planks in the Progressive platform.

THE budget explains the complacent satisfaction with the situation at Ottawa which was so evident in the address of Mr. Forke, Progressive leader, before the Toronto Canadian Club last week.

* * *

IF the Ontario Hydro finds it cheaper to buy power from a private corporation in Quebec than to generate it, is it not reasonable to assume that the power users of Quebec find it cheaper to buy power from that same corporation than will the power users of Ontario in buying from the Hydro?

* * *

AS the result of federal game laws the distinctive black duck of the New England coast is becoming much more abundant. Canada should study the effect of such regulations to the effect of preserving our game birds. Hunting and fishing provide a great attraction for tourists and the tourist business is of growing importance to this country.

* * *

IN the budget speech of the provincial treasurer, Hon. R. G. Reid, delivered to the legislature, it is estimated that 150,000 people visited the National Parks of Alberta last year. Assuming that only half of these were from outside the province and that each spent only $200 during his stay, the money brought into the province by such traffic would be $15,000,000.

Hanna, of the Old Guard, Going Stronger Than Ever

Railroad President and Successful Operator Who Has Made a Splendid Record as an Industrial Executive

By Frank J. Ayearst

WHEN the mellowing hand of age rests upon the accomplishments of this man, and his works appear in their true perspective, the name of David Blythe Hanna will be placed amongst the foremost of those business and financial leaders who made Canada.

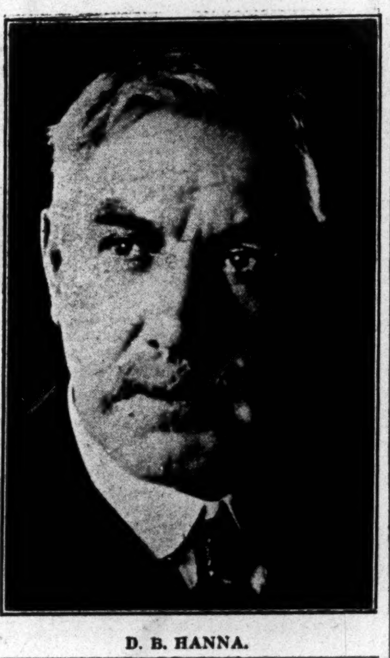
Over ten years ago, when Mr. Hanna was only the third vice-president of the Canadian Northern Railway System, his name was included in a list of the twenty-three men, forming the basis of Canadian Finance, published by the Montreal Standard.

After this list appeared, he became the first president of one of the world's greatest railroads.

Impressive as that achievement may be, it is almost overshadowed by the industrial success since attained. Among financiers and bankers it is the consensus that the training and experience of the successful railroad operator is peculiar to railroading, and is not conducive to success in other lines of commerce and industry. If this is an accepted rule, D. B. Hanna is the required exception. Today we find him president of four large industrial concerns, any one of which presents a man's sized job.

The variety and extent of his activities may be gathered from the following partial list of his executive positions and directorships:

President of the Canadian Western Lumber Co., Ltd., the Western Canada Flour Mills, Ltd., Canadian Northern Prairie Lands Co., Ltd., Western Salt Co., Ltd.; vice-president and director of the Consolidated Whaling Co., Ltd.; director of the British Empire Trust Co., of London, England, Imperial Life Assurance Company, the Western and British America Fire Insurance Companies.



D. B. HANNA.

A White Elephant

When Mr. Hanna took hold of the Canadian Western Lumber Company's affairs, the West Coast lumberman used to point with scorn at what they called the "great white elephant"—the Fraser Mills plant of this $23,000,000 corporation. What sane lumberman wanted a mill that could cut a million feet a day? Was a cut of 200,000 feet not large enough to take care of the market? But the plant was there, and sound policy was to enlarge the market to meet the size of the mill, rather than to reduce the plant to the then existing markets. It is now a matter of Canadian industrial history, that with the development of markets in the Orient, Australia, and the East Coast of America, this enormous sawmill, once a subject of ridicule, is now pointed to with pride by all Canadian lumbermen.

I asked Mr. Hanna to what he attributed his diversified success, to what special qualities he attached particular importance, and to what, in his opinion, were the most of the failures due to to-day.

Patience a Necessity

"Patience is not a virtue; it is a necessity. One cannot reap, unless they have first sown the right seed.

"The young man, who wants to grow wings and fly, does not belong on this earth. Loyalty to one's employers' interests should be included among the cardinal requisites. Courage is the true virtue of man. I would not give a snap of my fingers for the young man who has not got it. I would rather have a boy fail, five out of ten times, than never make one start without being first told what he should do."

Mr. Hanna insists that his career has had only the average share of incident and romance and more than the average of exacting toil. But anyone who takes the trouble to dig into the story of his life will find that his success was largely a matter of plain, every-day morality, combined with tremendous industry and a deserved reputation for integrity and for fairness toward the other fellow. It is possible this may sound rather commonplace, and there is not much comfort in it for the chap who wants to "fly."

Had his mother not concealed the reply that came to a letter he wrote in answer to an advertisement that appeared in a Glasgow paper, he might to-day be directing Sir Thomas Lipton's interests in Ceylon. At the age of thirteen his father had secured for him a position as office boy at the headquarters of the Scottish Co-operative Wholesale Society, in Madeira Court, Glasgow. At this place the testing, tasting and blending of Oolong and Souchong was done with sacramental gravity, and no doubt the subject was of so absorbing interest as to influence the boy to apply for a clerkship on a Ceylon plantation.

Even though the acceptance of his application did not reach him until years afterwards, less than a dollar a week, with transportation and lunches to be paid out of it, was not for long to satisfy this Thornliebank office boy in whom the seed of ambition had already begun to germinate.

Takes to Railroading

After about nine months at Madeira the lad secured a junior post with one of the Scottish railroads. His advancement was steady and in 1882 we find him at the Stobcross station of the Caledonian Railroad with a salary of ten dollars a week. I asked Mr. Hanna how he came to leave his home and accept a clerkship with the Grand Trunk Railway in Montreal, at less salary. "It didn't take very long for a young fellow, who was looking a little farther ahead than Saturday night, to learn that outside of head office a clerk stood mighty little chance of developing from a weekly wage-earner into a salaried official. We often heard that railways were being built at a tremendous rate on the Western continent and I felt promotion would come much more quickly in a new and growing country."

After two years, in the audit department of the Grand Trunk, Mr. Hanna went with the West Shore and Buffalo Railway (now part of the New York Central System) where he stayed until 1886. While in New York an offer was received from the Jersey Central Railroad which, had it been accepted, would no doubt have given the United States one of its great railroad executives. But Mr. Hanna had a short time before accepted the accountant's position with the Manitoba and North Western in Portage la Prairie at a salary of $150 per month.

Early Days in the West

"During the ten years I was with the Manitoba North Western, we said: 'The greatest of these is Hope,' but we didn't say 'Hope' with capital letters." In those days there were more abandoned than occupied homesteads; and Saskatchewan was spoken of as the "Desert."

Winnipeg was at a peculiar stage when Mr. Hanna was transferred there in 1893, and the Manitoba North Western had been forced into a receivership. The receiver, Mr. Nanton, afterwards Sir Augustus, was keeping a very watchful eye on all expenditures and Mr. Hanna was forced to make special efforts in order to do the best he could for his small family. At night he became the first auditor of the Canadian Fire Insurance Co., the creation of R. T. Riley; also the first auditor of the Manitoba Gas and Electric Co., and the Winnipeg Electric Railway Co.; which brought him into contact with Sir William Mackenzie and led to a connection of twenty-six years with the phenomenal expansion of a railway system.

When Mackenzie and Mann entered the field of railroad operators, Mr. Hanna was chosen as the chief operative head of a system whose personnel, including officers, numbered thirteen, and whose receipts for the first year amounted to sixty thousand dollars. There cannot be anything very significant in the number "thirteen," as these men saw the original sixty thousand dollars of receipts grow to sixty-seven millions a year.

With Bill and Dan

When the Canadian Northern Railway had become a transcontinental system, the head office was moved to Toronto in 1902, and D. B. Hanna became its third vice-president in charge of operation of the entire system.

Sir William Mackenzie and Sir Donald Mann were so dominated by the pioneering spirit that it was extremely difficult to keep them from building lines far ahead of traffic requirements. It is common knowledge that Mr. Hanna opposed many of their extensions, but he was only the operating chief of the system and had nothing to do with Mackenzie, Mann and Co. Mackenzie found the money; Mann built the road; and it was turned over to Hanna to run. The lines as completed were turned over to him at a price, which went into the fixed charges of the road. And up until 1913 the lines under his jurisdiction not only made an operating profit but they were able to meet their fixed charges with something to spare.

D. B. Hanna's railroad history is unique—he is the only general officer concerned with every phase of that kaleidoscopic story—the birth of a little pioneer railroad that grew to represent the legal unity of the largest railway system in the world. One cannot do better than to quote a paragraph, from his book "Trains of Recollection," which is a most fascinating, authentic, first-hand account of the making of this country.

"A little pioneer railway came into existence; grew to a system of nearly ten thousand miles, passed from private ownership to a national enterprise; carried on for four years under its former statutory identity, during which period there were associated with it, first, all the Government railways whose building was fundamental to Confederation; and, secondly, the Grand Trunk Pacific, launched as a semi-public enterprise with the intention of dwarfing its existence."

I asked one of Mr. Hanna's closest colleagues what was his most notable quality or qualities. The reply, after careful deliberation, was:

"He would give no quarter to anything dishonest or underhand. He was straight to the point and usually expressed his views frankly and fearlessly, whether to politicians or others. He was exceedingly kind and considerate to those working with him from the office boy up. Those who came in contact with him only occasionally were inclined to think him at times gruff and unreasonable, but those of us who were associated with him daily were very fond of him, and grew more so as time went on. To know Mr. Hanna was to love him."

The story this railway official told me of Mr. Hanna's kindheartedness to those associated with him in the most humble capacity, is well worth telling in his own words.

"I know of an instance where a young lad had been office boy with him in Winnipeg eighteen or twenty years previously. This chap had gone to the United States and Mr. Hanna had not seen him for a great many years. He dropped into Mr. Hanna's office one day in Toronto; told him a hard-luck story as to sickness in the family and so on and that he was in debt. Mr. Hanna asked him how much it would take to square his debts, and the man replied about six hundred dollars. Mr. Hanna gave him a cheque for the amount there and then, and took his note for it. However, he never asked for payment of this note, and a few years later the man died."

Perhaps the greatest single factor in Mr. Hanna's phenomenal success in later years has been his extraordinary ability to inspire and develop the men serving with and under him. One cannot count on the figures of one hand the number of men to-day, playing prominent parts in our financial and commericial life, who owe much of their success to the influence of this man's character.

INCOME TAX

Investors in both bonds and stocks will be interested in a pamphlet which we have prepared, showing the effects of the proposed Income Tax changes on investment income.

A copy will be sent upon request.

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LONDON, E.C. 2, ENG., Gresham House, Old Broad Street

Says Mr. Church's Figures Are Unfair to P. E. Island

The following letter, which submits that figures showing per capita taxes given in the House of Commons by T. L. Church, and quoted in The Financial Post, are unfair to the Province of Prince Edward Island, has been received from Lewis P. Panton, organizer of the Liberal-Conservative Association, Charlottetown, P. E. I.

Editor, The Financial Post:

Sir.—On the front page of your issue of March 5, you publish some figures showing alleged per capita taxes of the different provinces, compiled by Mr. Church, which, apart from being on the whole misleading, are particularly unfair to this province.

In the first instance the figures in all cases were based on the census population of 1921, except in P. E. Island where they travel back thirty years to give our then population which at that time was twenty per cent. greater than in 1921. It is this loss of population, not visited upon other provinces, that is one of our special grievances.

Again, our province is almost wholly agricultural, and is not a central port of entry. The bulk of our customs and excise taxes are paid in Montreal, Toronto and the big receiving ports, and you credit these to those larger provinces instead of to the consuming ones who pay the bills. British Columbia, for instance, being the only source of entry for Pacific trade, would have customs receipts on shipments destined all over Canada, is it fair to include this as a per capita contribution from the people of that province? In our province your estimate credits us with a total contribution of only $450,100.64. In actual fact the duties on goods consumed and used in this province upon which customs and excise duties have been paid, would amount to much more than double the amount that Mr. Church credits us with as our total contribution.

In these efforts to knock the Maritimes and boost the profit scoring provinces it would be better to take in the whole truth.

Yours very truly,
LEWIS P. TANTON.

Charlettetown, March 17.

Robert McKay New President of Allan, Killam & McKay

WINNIPEG. — Announcement is made here of the reorganization of the firm of Allan, Killam & McKay, Limited, of this city, following the death of W. R. Allan, the president, a short time ago, with Robert McKay as president.

ROBERT McKAY.

The new president is one of the most outstanding successful business men of the city, a product of Winnipeg, and one who has steadfastly devoted his time and talents and experience in building up Winnipeg and the western country. Leaving school, the present Norquay or North Central, Mr. McKay attended for a time the facilities for higher education offered in Winnipeg in the early days, but finally decided to go into business and entered the first stages by joining Mr. Allan in his new firm, established in 1893, as office boy. He remained with Mr. Allan continuously to the time of his death and now succeeds to the presidency.

During this long and expanding period Mr. McKay has been prominent in many organizations. He was the youngest man to occupy the position of president of the Western Canada Board of Fire Underwriters. He is a past president of the Winnipeg Agents' Association. He was one of the first representatives of the government on the Soldiers' Settlement Board; was a member of the first executive council of the Greater Winnipeg board of trade after its amalgamation with other trade bodies; has been identified with the Children's Hospital ever since the present building was built, and is now chairman of the finance board.

Mr. McKay is a director of the Winnipeg Tourist and Convention Bureau and a director of the Dominion Finance Corporation of Manitoba.

One of the largest enterprises with which Mr. McKay has been recently associated is the British Dominion Land Settlement Corporation, of which Lord Birkenhead is the chairman of the British board, Mr. McKay being one of the Canadian directors. This company, last year, bought 300,000 acres of land for colonization purposes and shortly expects to announce a $1,000,000 transaction in Manitoba lands.

Mr. McKay is also a director of the Tudhope-Anderson company of Orillia, Ont., is the founder and president of the Archibald-Martin Motors Company, Dodge Brothers' dealers for Manitoba.

In the reorganized company G. K. Killam is first vice-president, and L. W. Hicks is second vice-president. These three and the following senior members of the staff will form the new board of directors: R. H. Griffith, who has been in charge of the mortgage department; D. J. Stewart, in charge of the insurance department; B. G. Parker, in charge of the fire insurance department; H. G. Atkinson, who has been office manager.

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Many buyers of securities desire to arrange their investments in such a way that an income will be received in each month of the year.

Such an arrangement is suitable for those making provision for the education of children. In an estate it is an especially good way of making provision for families or other dependents. It is an ideal method of building up an income fund on which to rely when retiring from active business, or for providing a monthly income for any other specific purpose.

We gladly extend to anyone interested in the better securities or in the planning of their investments, the benefit of over 36 years' experience in investment problems.

Your inquiries are invited.

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Investment Securities

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Fraser Companies

Banker, Nova Scotia. — I would like your opinion of Fraser Companies six per cent. bonds, maturing 1950.

The Fraser Company 6s are an excellent industrial bond, and earnings last year were equivalent to over three times the annual interest charges; furthermore, there is no doubt that substantial profits will accrue to the company during the present year from the operation of its new sulphite mill situated just across the international boundary line.

Volcanic Oil

J. L. S., Santa Ana, Calif. — I would esteem it a great favor if you would give me what information you can upon the stock of Vocanic Oil and Gas and whether you consider it wise to hold or sell at market.

This stock has not changed its position since you wrote. The price of shares has stood unchanged for some considerable time at 28.

Duprat

A. M. M., Dorchester, N.B. — Are Homer L. Gibson & Co., reliable and what do you think of the Duprat Mines?

Homer Gibson & Company are a reliable house. They are interested, I understand, in the financing of Duprat Mines. Report is that these shares will be listed on the Standard Mining Exchange, Toronto. Duprat is a speculation with a couple of well-located properties in Northern Quebec.

Associated Goldfields

J. A. G., Chicoutimi, Que. — I hold 4,000 shares and hear no more about the company. The stock was pooled a couple of years ago, but although this pool has since been dissolved, I am unable to get a certificate for my shares. I have asked for it in 1924 and again in 1925, threatening suit the last time, but have had no reply whatever. Do you think suing them would make them toe the mark?

I don't think the pool on Associated Goldfield shares has been dissolved as yet. The company is making some progress, but is rather slow getting its mill up. Low finances are the explanation. There is some trading in share certificates at a rather low level.

Keora Mine

W. E. P., Hamilton, Ont.—Will you please give in your, Investment Column, your idea for the reason as to why there is no movement in Keora stock.

Keora is operating its mine with a double shift and the mill part time. We understand that operations are meeting with some measure of success. The officers of the company are looking for some good news from the new level of the mine just opened. Rumors that the mill was closing were declared by the president to be false.

Holding Consolidated

Reader, London.—Will you kindly advise the present standing of the Holding Consolidated Gold Mines, Ltd.? Is the property being operated? Who are its officers and their addresses? Has its litigation troubles been adjusted?

Re Holding Consolidated. The death of R. J. Fleming, Toronto, created a difficult situation which has yet to be straightened out. The company was acquiring certain claims. It did not make the final payment and Mr. Fleming did. Negotiations for a settlement were under way when Mr. Fleming died, and nothing has been accomplished since. It is understood that the executors of the estate are agreeable to a settlement.

Jamaica Public

W. H. B., Port Arthur.—I have been considering the purchase of some Jamaica Public Service preferred; would such a purchase meet with your approval?

The preferred shares of the Jamaica Public Service Corporation look attractive at present prices. The company has an excellent management and the property is operated by first-class public utility operators. The fact that it operates in a British colony adds further strength to the investment.

The company is in an excellent financial position and the earnings from the properties over many years have shown a steady growth. We believe this growth will be continued.

As you can see from the annual report, which has just made its appearance, earnings applicable to the preferred shares were well over three times the dividend requirements.

Ontario Wind Engine

F. M., Scotland.—We have a client who is financially interested in the Ontario Wind Engine & Pump Co., Toronto, and shall be very much obliged to you if you can give any information as to how the company is doing, and what the prospects are with regard to dividends.

This company, along with others engaged in similar lines of manufacture, have for the past several years been going through a very depressing time. The secretary reports: "While our company has been able to maintain a strong financial and liquid position during this period, it has not been possible to declare dividends. We are pleased to state we are gradually recovering, and making substantial progress, but of course it is problematical when payment of dividends will be resumed again. It depends, of course, on the volume of future business obtained, but judging from present conditions we can look forward hopefully to the future.

"Unfortunately at the time of writing we have not a financial statement available. This is in the printer's hands at the present time, and will not be ready for distribution until the latter part of next week. As soon as we receive it. however, we will gladly send a copy on to you, and it will give you a more detailed information as to the present standing of the company."

Spillers Flour Mills

F. H., Alberta.—I am interested in the Spillers Flour Mills, Calgary, which from report is to be completed this year. I bought 21 shares in it when it was the Alberta Flour Mills. What is your opinion of the value of them in the new company?

Regarding the Spillers Flour Mills, Ltd., we have received the following information from one of our editors who is at present in Alberta:

"The outlook for the company is very good. Interests associated with this and Alberta Pacific have been buying every share they can lay hands on. The fact that Maple Leaf is taking over the Spillers holdings is looked upon as a favorable factor. Spillers, I am told, found they made a mistake leaving the milling field—which they knew and going into the elevator field which they did not know—did not like the risk involved in buying subject to the ups and down of prices. They have been used to others taking that risk. The shares look like an attractive hold, I am informed."

Cobalt Contact

G. C., Toronto.—I have been offered a block of shares in the Cobalt Contact Mines at Cobalt. I understand that they have a 60-ton mill nearly completed and about 40,000 tons of ore in sight. I would much appreciate any information regarding the company and its engineers.

Cobalt Contact Mines are operating in a heretofore neglected section of the Cobalt Camp and have been meeting with some measure of success in opening out ore. They have the building for mill erected and expect to have the mill going shortly.

The technical personnel of the company is very good. Mr. Dunlop, the resident engineer, is a man of considerable experience, while Joseph Houston, consulting engineer has had a very wide experience.

We look upon the proposition as one having a certain speculative merit. The company is buying quite a large acreage and while certain payments have been made there will still be considerable money to be paid out of profits when the mill gets going.

Crown Reserve

Banker, Nova Scotia.—A customer informs me that about 1909 he purchased 1,200 shares of Crown Reserve at about $3.30 per share and that he has received no dividend for years. He further states that this stock was sold as gold mining stock, but that at present quotations are among the silver stocks. He wishes to know why this is and what the prospects for future dividends and advance in price are. He further wishes me to find out whether you recommend the purchase of any mining stocks now selling at a few cents per share. He states that he will probably have a thousand dollars in the near future which he proposes to divide up in preferred stocks of five companies now paying a fair rate of dividend and which show a favorable prospect for an increase in price.

Your client in 1909 would purchase Crown Reserve as a silver stock. It was then operating a silver property in Cobalt, and was selling around $3.50. There were no real gold mines in Northern Ontario at that time. Hollinger was just being opened up. Crown Reserve has since then taken up a property in the Larder Lake section of Kirkland Lake and is endeavoring to make a gold mine of it. Some success is being met with. Dividends have not been paid for years, as your client says and there is no possibility of dividends or even earnings for some time at least. Because of the break in the markets we think your client might be well advised to wait before purchasing stocks as there is a possibility that the market may sell down somewhat yet.

International Power

J. D. T., Soo.—What do you think of the first preferred shares of the International Power Co.?

The 7 per cent. first preferred stock of the International Power Company returns a nice yield to the investor. The International Power is a holding company only and has acquired the control, through ownership of outstanding stock, of a number of utility companies situated in Newfoundland, Canada and Central Southern America.

The company anticipates earnings applicable to its first preferred of $480,000 during the first year of operation, whereas the dividend requirements on this stock amount to $280,000. After payment of the dividends on the 6 per cent. convertible second preferred stock, earnings on the common will be in the neighborhood of 80 cents per share, according to the estimate.

Each of the subsidiary companies supplies light and power to the community in which it operates without competition. The field embraced consists of lighting, power, tramway and telephone services in twenty-four communities, having a population of approximately 450,000 people. From the diversification of the sources of investment, the company derives a greater stability in its earning power. We believe the preferred stock to be a good buy for a long hold. The bonus of common stock lends speculative attraction to such an investment also.

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Current Opinion

SANE LABOR DEFEATED

The Mercury, Guelph: It sounds like a parody to say of Canadian Labor Party convention, that a Canadian motion for the preservation of its Canadianism against the inroad of a foreign idea and a foreign population should be signally defeated, to the accompaniment of a foreign song finding voice in five languages, and the cheers of a few radical British born who would seem to have come to love Russia more than they ever loved their native land.

CANADA AT WASHINGTON

Brantford Expositor: The declaration was made the other day by a high official in Britain that the British Government has not changed its views with regard to the appointment of a Canadian minister at Washington. It has not the slightest objection to the Dominion making such an appointment and will do everything in its power to assist such a minister when he is appointed. The real reason for the delay has not been given, but it has been hinted that if the other Dominions followed the lead of Canada, it would present a spectacle that would not impress the unity of the Empire. On the other hand, for practical reasons a Canadian minister at Washington would be an advantage.

IN SASKATOON 48 YEARS AGO

Saskatoon Star.—C. A. Magrath, who succeeded Sir Adam Beck in the chairmanship of the Ontario Hydro Electric Commission, was in western Canada in the early days. The Financial Post reports him as saying at a dinner of the Hamilton branch of the Canadian Manufacturers' Association recently:

"I went west 48 years ago, and before the C. P. R. was built. It took me 12 days to reach what is now known as Winnipeg. From there we went by cart on a three weeks' trip to Saskatoon, the whole journey thus taking a month whereas to-day it can be done comfortably in three days, by two railways."

At this time, said Mr. Magrath, the developed wealth of the territory between the Great Lakes and the Rockies was something between one and two million dollars. Now it exceeds eight billions.

Mr. Magrath has lived through a remarkable period in Canadian history, and has scored a notable personal success in the country's business. As an early visitor to the site of this city, he would make an interesting speaker at a meeting of the Saskatoon Canadian Club.

DUNNING A TARGET

Brockville Recorder: Neither the equanimity nor the prestige of Hon. Charles A. Dunning is likely to be disturbed very seriously by the torrent of petty abuse and epithet in which members of the Opposition from its leader down are deluging the new Minister of Railways and Canals. Being very well able to take care of himself in any debate, and having made a progress in public life which is the admiration of that section of the Dominion which he represents (and other sections as well), Mr. Dunning requires no defence. But it must be pointed out that from almost the day of the connection of his name with a seat in the Federal Cabinet, the Opposition press and some of the members of that party have done their utmost to discount his accomplishments and to predict for him failure in his new office. This attempt at disparagement has been so persistent that it constitutes perhaps the most sincere tribute that might be paid to Mr. Dunning's ability as a public man. When leaders and back-benchers descend to this level and consistently deprecate one of their opponents, the reason is usually to be found in fear of the person attacked. Violent language is very rarely applied to any public man of impotence.

A COMPLIMENT TO CANADA

Victoria Times.—It is a compliment to Canada that the local chamber of commerce should be asked to arrange for a discussion of Canadian-United States trade relations at the convention of the United States National Foreign Trade Council at Charleston, S. C., next month. The invitation came from the council's president, James A. Farrell, who, by the way, is also the executive head of the United States Steel Corporation, and is largely the result of the excellent work put in by the Victoria delegation at the recent gathering of the Pacific Coast Foreign Trade Organization at San Francisco.

It is hoped and expected that Canada will have a strong delegation at the Charleston meeting. The United States Foreign Trade Council numbers in its membership representatives from all the great industrial concerns in the republic, and, in point of capital behind its roster, it is easily the most wealthy commercial body in the world. With Victoria playing an important part for Canada, and its chamber of commerce president one of the principal speakers, it follows that this city will obtain some extremely valuable advertising. It should be remembered, also, that a number of wealthy American industrialists and investors are turning their attention to British Columbia, and particularly this section of it. This fairly certain development should receive fresh impetus through the part which Victoria will play at Charleston. In a wider measure, of course, the country will derive much benefit from the interchange.

The "Lords of Creation"

One Big Union Bulletin.

We want to notify "The Financial Post" that the miners in Nova Scotia, as well as every worker with backbone throughout the country, don't want any impudence or back talk from them. And we furthermore desire to inform them, that they can consider themselves lucky that the working class has put up with them as long as they have.

We are fast becoming "fed up" with every parasite, who lives off our labor, telling us what we shall or shall not do.

If the miners in Nova Scotia want to join the O.B.U. or the Children of Mary, that's their own business. As Lords of Creation, we do not need to stop and explain our actions to any and every two by four loafer around town.

We own the shirt on our back because we worked to produce it, and we never had to have a lawsuit to find out if we owned it or not, as is the record of most of the "bee-sniss" element.

The miners of Nova Scotia have fairly well determined, by their actions, that if coal is going to be mined, it is going to be mined under the conditions they desire, and if gentlemen of the "Financial Post," or any, or all of the "Kept" class don't like that idea, then they can go and mine the coal themselves.

It is preposterous that those who have made Canada what it is to-day, that is, the working class, should for a moment consider the wishes of the crowd of wastrels, who, for years, have imposed themselves on our good nature. We've had sufficient of their airs and graces, and the time is rapidly approaching when we will state under what conditions work shall be done, and if those who now own, don't like it, we'll invite them to run the machinery of production, and then we'll see if there is anything to their reputed ability and brains.

As for the last paragraph of their article, wherein they are whistling for the government hounds, we invite them to start something and see how far they will get with it.

POST-Scripts

JAMES H. RAND, JR., president of the Rand Kardex Bureau, tells of a stock salesman recently brought to trial in a Western state for selling stock without a permit. He insisted that he had not misled his victims with promises. Some of the people he had sold stock to testified to the truth of his defense. He had sold $60,000 of oil stock in less than three months, and his entire selling talk consisted of the suggestion: "Take a chance; Columbus did!"

"A SMILE is a business man's greatest asset."

This dictum is given by L. H. Buisch, retailing expert of the Merchants' Service Bureau of the National Cash Register Company, who is one of the most widely known lecturers on business topics in the country. Mr. Buisch analyzes the situation in this way:

"If a merchant can so train his salespeople that they will greet every customer with a genuine, friendly smile, the popularity of his store and the success of his business will be assured.

"The retail salesperson is the most important link in the chain of distribution. If he fails to do his part, all expense and labor that have gone before in manufacturing, jobbing, and wholesaling will have been spent for naught. It is the salesperson who meets your customers, reflects your spirit, sells your goods, handles your money, and works your system. To reflect the spirit that attracts customers, he must meet them with a smile and a pleasant 'Good Morning,' or 'Good Afternoon,' and not some such salutation as 'Somethin'?' or 'Do you wanted to be waited on?'"

Mr. Buisch believes that smiling is easy.

'Even if a salesperson is lazy he ought to be glad to smile," he said, "Because a smile exercises only 16 muscles of the face, while a frown exercises 67."

AT A little social affair the other day, one of the editors of The Financial Post met a lady, who began to talk to him about power plants and paper mills. She began to inpart information and ask questions about the Louisiana Power Company, Muscle Shoals, Duke-Price Power Company, Laurentide, Shawinigan, and the International Paper Company, in a way that was astonishing. It suggested only one explanation: that she must be the head of the information department of a big bond house.

But she wasn't that; she was a widow and an investor on a large scale. She told how she knew so much about the plants she mentioned:

"When I had thrust upon me this job of investing my money profitably," she explained, "I made up my mind that I would not invest in anything I had not seen with my own eyes. I began to visit various plants. I found it fascinating, stimulating. I found, too, that it was not hard to select the good plants and to choose the ones that had the best opportunity. Power plants and paper mills interested me most and, because I could not know every kind of industry, I soon determined to concentrate on those two types of security. I have visited most of the big plants and intend to visit more. This summer I am going up to see the Aluminum Corporation's development and the other plants in that country.

"Here are my investment rules. First, I buy bonds only. Second, I buy only water power or pulp and paper bonds. Third, I do not buy a bond without seeing the plant that provides the security."

She found the work fascinating, as she said. She found it more than that. From other sources, it is learned that she has added considerably to the fund that was the basis of her investing at first.

Sydney Record:— Communists present at the recent annual meeting of the Ontario section of the Canadian Labor Party declared in favor of a levy on capital in Canada. At first glance, superficial glance, a proposal for a levy on capital may seem attractive to people of small means who are burdened by taxes and cost of living. It will not be so attractive when examined. Capital does not consist only in the bank deposits and bonds and property of wealthy people. It consists in the possessions of all classes. If there is to be levy upon capital it will be a levy upon many possessions, upon the possessions of different classes. The Communists, of course, would not have it that way; following the example of their leaders in Russia they would see to it that their own possessions were untouched; but under a plan that did not discriminate unjustly against one class at the expense of another a levy on capital would mean confiscation of part of the property of the great majority of people in the country. The capital levy proposal may seem attractive when a man thinks of capital as the wealth of the other fellow; it is seen in different color altogether when it is remembered that capital, in the broad sense, includes all kinds of possessions owned by all kinds of people.

New Income Tax and Your Investments

Radical changes in the plan and scale of taxation are announced by the Dominion Government.

A digest of these changes, with particular reference to their effect on investors, is now being prepared by our Statistical Department and will be mailed on request.

Ask for Tax Circular 4

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Paton Manufacturing Co. Ltd.

6% First Mortgage Bonds Due May 1, 1953

The Paton Manufacturing Company, Limited, situated at Sherbrooke, Que., manufactures woollen and worsted cloths, knitting yarns, and other similar products. The Company is efficiently operated under the direction of interests closely associated with the Dominion Textile Company Limited.

As at January 1, 1926, the total of net current and fixed assets less depreciation, was $1,881,073, or $2,351 against each $1,000 bond outstanding. For the six-year period ended January 31, 1926, the earnings available for interest and federal taxes have averaged 2.7 times bond interest requirements.

Price 102 and interest to yield about 5.85%

Principal and semi-annual interest (May 1 and November 1) are payable at the office of the Montreal Trust Company in Montreal. Coupon bonds in denominations of $1,000.

The National City Company
Limited
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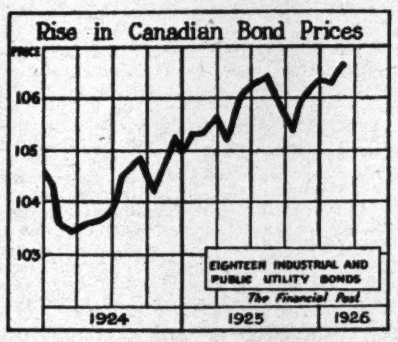
News of the Investment Market

TAX REDUCTIONS BOOST PRICE OF TAX-FREE BONDS

Also Place Premium on Non-Dividend-Paying Common Stocks

The appreciation in the price of tax-exempt bonds following the announcement of the new budget is the feature of the investment markets this week. Further strengthening is looked for as the budget is studied more carefully, and as more and more interested individuals and companies get into the market.

The reason for the widening of the margin of favor between taxable and tax-exempt bonds is the fact that the unearned income comes in for a higher levy to make up for the relief granted to the lower salary groups. Large investors find it more than ever necessary to take advantage of this exemption, especially in view of the cancellation of the exemption of dividends from the old normal tax. There has not yet been time for the tax-exempts to swing back to where they were before rumors began to circulate with regard to the coming budget but they have gained part of the loss. The 1927's, for example, are now around 108.50 against a low of 107.50 and a high of 109.30 before the rumors started to depress the market.



Similarly the 33's are quoted at about 105.50 against a low of 104.80 and a high of 109.30. It is generally thought that they are still a good purchase at present prices.

The whole question of the effect of the budget naturally centres around the possible action on the part of those whose investment position has been jeopardized by the change. The cancellation of the exemption of dividends from the old normal tax will naturally lead to heavier purchases of non-dividend-paying common stocks. The advantage in studying these more carefully is obvious and it is expected that they will be more and more in favor, and that their value will be enhanced accordingly, possibly to the detriment of dividend payers.

Retard Industrial Progress

It is the feeling of many of the investment bankers that the suggested changes involve a risk of diverting capital from business and industrial enterprises. They give two reasons for this. One has to do with the cut in the automobile tariff and the other with the government's suggestions with regard to taxing the unearned income, so-called. Regardless of what one's opinion is concerning the need of protection in the automobile industry, it is generally agreed that the treatment of the industry is not specially directed to induce other United States industries to invest their capital in plant and equipment in Canada. The other factor working in the same direction is the cancellation of exemptions on stocks. One affects domestic capital more particularly, and the other, capital from outside Canada. At the same time an examination of the current report of the chartered banks to the government, or a study of the easy money situation in Canada at the moment suggests little in the way of a shortage of investable funds. Any factor tending to divert these funds out of business channels is, of course, serious.

Little activity is reported in the bond market this week in the coming forward of new issues, except a few smaller municipals. There is a tendency to hold over any industrial offerings which are in course of preparation pending more definite information on budget matters.

J. STRATHEARN HAY
of the firm of Cochran Hay & Co., Ltd., Investment Bankers, Toronto, who has been elected to membership of the Toronto Stock Exchange.

National Debenture Bonds Have Highest Security

An issue of $500,000 sinking fund collateral trust gold bonds of the National Debenture Corporation is being sold this week by G. A. Stimson and Co., at 100 and accrued interest, the yield being approximately 5½ per cent.

An outstanding feature of the issue from the standpoint of the investor is the security behind the bonds. 105 per cent. of the par value is held in securities such as are authorized for the investment of trust funds by an official trustee under the laws of the province of Ontario. These securities are deposited with the trustee as collateral, and comprise government, provincial and municipal bonds, first mortgages, and other authorized securities. The trust deed provides also for a sinking fund to be held by the trustee. Under the sinking fund arrangement the corporation must deposit annually, commencing November, 1928, an additional amount of collateral equal in par value to one per cent. of the outstanding bonds of the issue. The trustee is the Trusts and Guarantee Company.

CAULDER CREAMERIES ORGANIZED IN WEST

Takes Over Assets of Two Well Established Dairies With 22 Branches

MOOSE JAW.—To take advantage of expanding opportunities in the dairy industry in the Prairie Provinces, Caulder's Creameries, Limited, has just been organized under Dominion charter to take over the assets of Western Creameries, Ltd., and Saskatchewan Creamery & Ice Cream Co. The former operated ten branches in Northern Saskatchewan, chiefly in Saskatoon, and the latter had twelve branches in the southern part of the province. The new company, which will have its head office in Moose Jaw, has an authorized capital of $800,000, of which $600,000 is preferred stock and the balance common. After the common has received a cumulative dividend of 8 per cent., the preferred will participate equally with the common up to 10 per cent.

Western Creameries had $100,000 common stock outstanding, and holders of this received an equal amount in the new concern.

The Saskatchewan Creamery & Ice Cream Co., Ltd., shareholders received $110 worth of 7 per cent. participating preferred stock in the new company for each $100 share of 8 per cent. preferred stock in the old company. The Saskatchewan Creamery common stock holders had the option of taking common stock of equal value in the new company or $120 worth of preferred stock in the new company for each $100 share of common in the old company.

Caulder's Creameries, Ltd., assumed the $500,000 outstanding bonds of Saskatchewan Creamery & Ice Cream Co., Ltd. This is a 7 per cent first mortgage bond issue.

The company will have approximately a quarter of a million dollars' worth of treasury stock left after the consolidation is completed, and it is proposed to sell all of this during the current year in order to pay off the company's liabilities and give sufficient working capital.

The officers of the new company are J. A. Caulder, president and general manager, and R. S. Hodson, formerly Calgary manager of Wood, Vallance Company, vice-president.

Loblaw Groceterias to Retire Second Preferred

A special meeting of shareholders of Loblaw Groceterias has been called for April 27, to consider by-laws proposed by directors to re-divide the 72,000 common shares of the company, without par value, into 144,000 common shares and to increase the capital of the company by the creation of 56,000 additional shares without par value and provide for the retirement of the 2nd preference shares of the company. The letter of President T. P. Loblaw says:

"The re-dividing and increasing the common shares is to facilitate the redemption of the second preference shares and also to provide new capital for the company if and when required. The second preference shares have a fixed, cumulative, preferential dividend of 12 per cent., entailing an annual disbursement for dividends of $28,800, and they also have priority as to assets over the common shares. The retirement of these preference shares will, therefore, enhance the value of the common shares.

"The proposal is to convert these preference shares into new common shares at the rate of 6 to 1. The present common shares are now quoted at upwards of $60 per share which practically fixes a value of $180 for each second preference share.

"It is confidently expected by the directors that the earnings of the company will justify a disbursement by way of dividends on the new divided shares at the rate of $1 per share per annum, which is equivalent to $2 per share on the present common shares of the company. The retirement of the second preference shares will increase the assets behind the common shares and the value of the common shares will be materially increased by the proposed adjustment of capital if ratified."

INTERESTING ISSUES

Bell Telephone First Mortgage Bonds Attractive Investment

What is the introduction of automatic telephones going to do to the earnings of Bell and other telephone companies? Is radio going to take business away from the telephone? These are questions which holders and prospective holders of the securities of Bell Telephone are asking. They can probably be best answered with special reference to a particular issue. Let us take the 5 per cent. first mortgage bonds, due 1955. At a current price of around 101, these bonds now yield about 4.93 per cent.

Bell Telephone has a big future in Canada. The Bell company owns and operates the principal systems in Ontario and Quebec, and serves a territory of about 832,000 square miles with a population of five-and-a-half million people and including Canada's two largest metropolitan centres, Montreal and Toronto. With regard to the first of the above questions, it is stated by officials of the company that the introduction of the automatics was prompted by two motives. The first is the lower operating cost and the second is the possibility that with women entering so many new occupations, it will not be possible to obtain the supply of operators sufficient to meet the demand in a decade or two. The company is not merely scrapping the old switch-boards and installing new ones immediately. The change is a gradual one and will probably not be completed for more than ten years. Automatics will require more capital expenditure in the future than the manual exchanges have done in the past, so that the company may possibly make more frequent offerings of stock to its shareholders. At the moment there is no great saving in the new system since the connection of the two systems involves additional cost, but when the change has been completed, the results will undoubtedly be more than satisfactory to the investor.

Radio Helps the Telephone

Then with regard to the competition from radio, officers of the company state that co-operation rather than competition will develop, and that the radio will create more business for the telephone. If, for example, radio comes into general use for inter-continent conversation, the telephone will undoubtedly be used over the distance from inland to seaboard. Another instance of its use is to transfer radio messages without broadcasting them. This was done at a recent directors' meeting of one of America's well known financial houses. One director was ill some miles distant, but he was listening in on the meeting through a combination of microphone and telephone. These, however, are developments of the future.

To return to the business of Bell Telephone, last year's earnings were slightly below dividend requirements, a fact which seems to justify the company's claims for increased tariffs. The deficit results in an allowance for depreciation which the company states is inadequate. The balance sheet, however, reveals a strong financial position. The amount invested in plant and equipment was increased during the year by more than $13 000,000, and the amount of securities outstanding has moved up to $15,260,306. The reserve for depreciation has been increased by $1,423,745 and the surplus shows an increase of $38.000. There was a net gain during the year of 52,473 stations, the largest yearly gain in the company's history. The use of telephones is expanding very rapidly, both in cities and in the country, and will continue to do so from present indications.

The bond issue under discussion totals $30,000.000 authorized and issued. The bonds are secured by a first mortgage on all real estate, buildings, and telephone plant now owned or later acquired by the company. Further bonds may be issued under the mortgage, but the authorized issue is limited so that the amount of the first mortgage bonds outstanding shall never exceed twice the amount of paid-up capital stock. The book value of real estate, buildings and telephone plant at the beginning of 1926 was $101,585,113 or more than three times the total first mortgage bonds issued.

Discrimination Essential!

Conditions to-day warrant careful consideration of investment or speculative commitments.

Investors should not gauge a stock by its quotation.

The basic condition of corporate affairs, and the relative position of earnings to capital, are the chief factors to be determined before a purchase is made.

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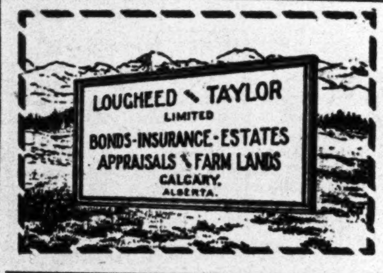

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C.N.R. FIGURES SHOW BETTERED NET AND GROSS

Net Income of $30,552,878 as Against Interest of $71,997,642

From Our Own Correspondent.

MONTREAL. — Net operating earnings of $32,264,414, an increase of $15,020,193 as compared with the preceding year, are shown in the annual report of Canadian National Railways covering the year 1925. After the deduction of various charges not included in operating expenses and the addition of non-operating incomes, the total net income for the year stood at $30,552,878, more than double the 1924 figures. Interest charges payable to the public and interest payable to the government amounted to $71,997,642, which left a total net deficit on the year's operations of $41,444,764, a decrease of more than $15,000,000, as compared with the 1924 deficit.

In addition to the improved showing, the company reduced its operating ratio from 92.68 per cent. in 1924 to 86.83 per cent. in 1925. The report points out that during the first six months, gross earnings in 1925 were less than for the corresponding months in 1924, and that it was not until the end of October that the gross revenue overtook the figures for 1924. Although the total gross revenues showed an increase, yet the operating expenses were decreased by 2.5 per cent.

The Balance Sheet

In the balance sheet, the fixed assets now stand at $1,975,806,035, an increase of $26,465,849 over the preceding year. The total liabilities under long term debts, now stand at $2,119,811,644, being an increase of $63,680,127.

The following figures compare the Canadian National's income account for the past two years:—

	1925	1924
Operating revenues	$244,971,202	$235,588,182
Oper. exp.	212,706,787	218,343,931
Net oper. rev.	32,264,414	17,244,251
Taxes accruals	4,224,033	4,588,593
Miscellaneous	89,551	360,368
Miscel. Taxes	73,486	60,278
	27,877,342	12,235,017
Non operating inc.	2,675,536	2,914,425
Total net income..	30,552,878	15,149,442
Int. pay to the pub.	40,438,235	38,361,704
Int. pay. to govt.	31,450,382	31,271,043
Unfunded Debt Int.	109,025	377,116
	71,997,642	70,009,863
Less net inc.	30,552,878	15,149,442
Total net deficit..	$41,444,764	$54,860,421

The President's Comments

In commenting on the results obtained, Sir Henry W. Thornton, chairman and president of the road, points out that the net operating earnings were approximately equal to 80 per cent. of the interest payable to the public on funded debt, as compared with about 45 per cent. in 1924. From the income account figures, it will be seen that the road only required some $10,000,000, in order to meet its obligations to the public; this amount was the total received from the government during the year. The total net deficit of $41,444,764 was carried into the balance sheet and thus increases the total funded debt by a like amount.

The report points out that "transportation" expenses showed a decrease during the year, despite the increase of more than 2,500,000 tons of freight handled; the percentage of gross earnings absorbed by transportation expenses in 1925 amounted to 43.46, and in 1924 46.73.

New Security Issues

Two issues of guaranteed securities were made during the year, amounting in all to $35,000,000, of which $17,583,780 was used for refunding purposes. The remainder of the financing thus acquired was used for various new branch lines, the construction of which had been authorized by Parliament, and also for expenditures in connection with the Toronto viaduct.

During the year, new lines completed and turned over for operation totalled 331 miles; the construction of 523 miles had been authorized in 1924 and 94 miles in 1925. The road's industrial department was instrumental in locating on or near its line more than 250 plants.

In the report, Sir Henry Thornton again stresses Canada's great need for a proper co-ordinated immigration policy.

The company's hotels did a decidedly better business during the past year, which resulted in a net deficit of $36,365, being an improvement of $221,572 from the deficit experienced in 1924.

CANADA STEAMERS TO REDEEM BONDS BY A NEW ISSUE?

(Continued from page 1)

the new financing for the company as it is understood that the previous underwriting carried with it the first call on future financing. Mr. Nesbitt, when questioned on this, would neither deny nor affirm that this was the case. In any event, there seems little likelihood that the bond issue will make its appearance for at least two or three months.

It is understood that the shareholders of the company will shortly be furnished with the complete details of the new financing and also the details of the management's plan for wiping out the dividend arrears and compensating the preferred shareholders. Many guesses have been made as to the exact nature of this plan; the opinion of those closest to the company is that the preferred shareholders will be offered new 6 per cent. preferred stock in exchange for their present holdings and for the total of their accrued dividends; the dividend on the new preferred to commence early this summer, probably in July.

It is anticipated that the common stock will be reduced to no par value.

Tenders and By-Laws

May 7, Peel County.—$70,000, 5%, 10-instal. debentures. L. H. Willis, county clerk, Brampton. (See announcement elsewhere in this issue).

April 27, Town of Donnacona, P.Q.—$11,500, five per cent. serial bonds. P. Chalifour, sec.-treas.

April 26, Herbert School District, Sask.—6 per cent., 15-year debentures for addition to school. P. H. Klasson sec.-treas., Herbert, Sask. (See announcement elsewhere in this issue).

May 14, Moose Jaw, Sask.—$25,452, 5 per cent., 10, 15 and 30-year local improvement debentures. Geo. D. Mackie, city commissioner. (See announcement elsewhere in this issue).

April 29, Halifax—$1,502,200, 5 per cent., 35-year debentures. James J. Hopewell, City Treasurer. (See announcement elsewhere in this issue.)

LIST OF AUTHORIZATIONS GRANTED BY THE LOCAL GOVERNMENT BOARD From April 3 to April 17, 1926.

Schools—Penkill No. 2477, 1,800; Dunelm No. 3232 $1,000; Archerwill No. 4639 2,000; Enniscorthy No. 3498 5,000; South Arcola No. 1182 2,350; Silver Vale No. 2065 2,100; Aylesbury No. 2127 9,600; Lost Horse No. 1254 2,700; Prescott No. 3935 2,000; Pine Coulee No. 4595 3,300; Elbow No. 2348 1,450; Robinson No. 988 1,200; Luseland No. 240 20,000; North Creek No. 4572 3,000; Vickers No. 678 760; Charmfield No. 4641 2,200; Bright No. 1798 3,000; Camp Lake, No. 4342 300; City of Regina, 252,300.

UNLISTED BONDS (Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	102⅜	..
Algoma Steel 5% 1962	29	30
Belding 5% 1936	88	..
Belgo Can. Paper 6% 1943	99½	100½
Brand-Henderson 5% 1939	90	..
Burns, P. & Co., 6½% 1943	102⅞	104
Can. National Rly. 5% 1954	101	101⅞
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104	104¾
Can. Pacific Rly. 5% 1934	99½	100¼
Can. Pacific Rly. 4½% 1944	93½	94⅛
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	55
Dom. Textile 6% 1949	106	..
East. Koot. Power 7% 1942	103¼	..
Frontenac Brewing 6% 1951	96½	..
H. Smith Paper 7% 1941	99⅞	100¾
Laurentide Power 5% 1946	99⅝	100½
Laurentian Power 6% 1936	100¾	..
Man. Power 7% 1941	104¾	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	101⅛	102
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	101⅞	102⅝
Quebec Power 6% 1953	103½	..
Walmsley, Chas. 6% 1943	96⅝	97⅝
Winnipeg Elec. 6% 1954	96	96¾
Sherbrooke Rly. 5% 1940	80	..
St. Law. Sugar 6% 1932	92	..
St. Maurice Power 6½% 1953	108¼	108⅞

BOND MOVEMENTS OF THE WEEK

Week Ending April 20

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Low	Ask	Latest Price Bid	High	Low
Can. Canners	6	1950	6.41	96¼	90	95½	94	95	94¼	95	94½
Can. Cottons	5	1940	5.40	96	91½	96	95	99	94½	96	..
Cedar Rapids	5	1953	4.89	99⅜	97	101½	98¾	..	101	101½	..
Montreal Trams (A)	5	1955	5.46	98¾	92¾	95	92½	..	..	93¼	93
Montreal Trams	5	1941	5.18	98	94⅞	98½	97¼	97¾	..	98	97¾
N. S. Steel	5	1959	7.56	..	..	70	69	69	..	69	..
Ogilvie "B"	6	1932	4.84	106	103½	105½	105¼	..	105	105½	..
Do., "C"	6	1932	4.84	106	103½	105½	105¼	..	105	105½	..
Penmans	5	1926	5.00	99	98	100	99	..	100	100	..
Steel of Can.	6	1940	5.30	106	103	107½	106	107½	106½	107	..
War Loan	5	1931	4.63	102.65	106.10	102.40	101.25	101.85	101.60	101.90	101.35
Do.	5	1937	4.54	104.95	103.80	104.65	103.40	104.25	104.00	104.00	103.50
Victory Loan	5½	1927	4.60	103.15	101.70	101.75	100.85	101.60	101.40	101.45	100.85
Do.	5½	1933	4.70	107.00	105.10	106.80	104.65	105.65	105.50	105.70	104.85
Do.	5½	1934	4.99	104.80	103.20	104.10	103.10	103.55	103.40	103.65	103.40
Do.	5½	1937	4.60	110.00	108.15	109.30	107.35	108.65	108.50	108.50	107.75
Do., Refund	5	1928	4.65	104.45	100.15	101.30	100.25	100.60	100.40	100.50	100.25
Do., Refund	4½	1940	4.88	97.25	92.00	96.70	95.70	96.10	95.90	96.15	95.75
Do., Refund	5	1943	4.87	102.90	101.15	101.95	101.15	101.60	101.45	101.55	101.30
Do., Refund	4½	1944	4.82	97.75	96.20	97.15	95.85	96.10	95.90	96.30	96.00
Do., Renewal	5½	1927	4.85	102.95	100.80	101.95	100.60	101.10	100.90	100.70	100.60
Do., Renewal	5½	1932	4.96	104.20	102.60	103.40	102.15	103.05	102.80	102.75	102.60

Municipal and Provincial Finance

Metropolitan Commission is Triumph in Civic Government

Montreal Body Assures Better Borrowing Terms for Small Municipalities — Also Protects Bondholders

By FREDERICK WRIGHT.

It has been well said that in a democracy the government of a large metropolitan area is no sinecure, and the diversity of interests, often combined with a general apathy on the part of the public, does not make it any the easier. This is the case in the city and district of Montreal, which has grown, and is growing so rapidly in population and in wealth, and in cosmopolitanism, that its civic administration is actually becoming a problem the solving of which will tax the best minds on the subject of municipal government.

Nevertheless Montreal has an administrative body which, since its creation in 1921, has given the strongest evidence of sound economic government. I refer to the Montreal Metropolitan Commission.

This authority, though established primarily to protect certain small municipalities adjacent to the City of Montreal, that had got into financial difficulties, largely through the slump in real estate values, has by capable management and wise supervision over the finances of the municipalities under its control, so strengthened its position in the confidence of those who should know, that men who at first were prone to criticize the value of the Commission, now see that its promoters exercised great wisdom, inasmuch as not only have the delinquent municipalities been put on their feet—that is, placed on a more sound financial basis—but the sound principle of autonomous decentralization so far as municipal administration is affected, has been maintained.

The story of the Montreal Metropolitan Commission and its establishment might be stated to be a romance in public finance, though let it be said also that its promoters were imbued in a large measure with the protection of their respective municipalities from annexation to the City of Montreal. Nevertheless the project was worthy of the best traditions of municipal government, and had it fallen through and wholesale annexation taken place—and such was seriously threatened — the citizens of Greater Montreal would have had on their hands an additional public expense which could only have been met by very much increased taxation, under a centralized government absolutely inadequate in the proper machinery for the purpose of administering a large urban area.

Administration Costs Small

As it is the actual cost of administering the Montreal Metropolitan Commission is under $12,000 per year —a mere bagatelle—while the advances to the delinquent municipalities amount to about $350,000 per annum, the whole being apportioned over the sixteen municipalities (including Montreal) that make up the metropolitan area, in accordance with taxable values. It must be remembered that these advances are but loans which will in the course of time be repaid by the borrowing municipalities. The commission will see to this.

In marked contrast with this economical and equitable adjustment of the finances of weak municipalities under the Metropolitan Commission, it might be well to cite the case of Maisonneuve, the annexation of which was, and is to-day a heavy burden on the citizens of Montreal. I am of the opinion that had the Metropolitan Commission been established two years earlier, so as to bring the town of Maisonneuve under its control, instead of annexation, the city of Montreal would have been saved many millions of dollars, and the citizens of Maisonneuve would have been given an opportunity to work out their own civic salvation. This is exactly what the towns of Point-aux-Trembles, Montreal North, Laval-de-Montreal and St. Michael, are doing to-day under the careful supervision of the commission.

Nor is this all by any means. Every member municipality of the commission, with the exception of the city of Montreal itself, has a double check on its finances—its own and the commission's—and has the advantage of collective financing when it comes to loans. The investor too has the greater security for his loans, because of the high standing of the commission. This is evidenced in the excellent prices secured for its bond issues, which the member municipalities get the full benefit of.

The success of the commission is due very largely to its representative character and to its personnel, both as regards its members and its officers. The membership, composed of representatives of the cities of Montreal, Westmount, Verdun, Outremont, Lachine and the provincial government, and two representatives from the smaller towns, is practically the same as when it was first established, so that there is a continuity of understanding and co-operation impossible in an ever-changing body. The officers are highly efficient and imbued with a keen sense of their responsibilities and the opportunities for constructive work in a new undertaking.

While the commission has extensive powers, these powers, as already noted, are limited to the financial supervision and control of its member municipalities. But even with its limitations the commission has proved its worth in the economic administration of a large urban district, as the following appreciation, taken from the "Financial Circular" the official organ of the Institute of Municipal Treasurers and Accountants (England) shows: "Some day we may see this scheme (the Metropolitan Commission) in operation in England. London has already its advantage on the point of combined security. The large boroughs will no doubt continue to handle their own finances, but we may have finance control boards acting for administrative counties."

Such a statement, which came from the senior auditor of the British Ministry of Health (A. C. Roberts) is surely sufficient to convince us of the soundness of the principle underlying the Metropolitan Commission, and results have proved its efficacy. One cannot understand the carping criticism that has from time to time been made against the commission, unless it is through ignorance of the real facts. To my mind the creation of the Montreal Metropolitan Commission marked a new epoch in civic administration, inasmuch as it can be made the basis upon which to build up a system of civic government for Greater Montreal, without the present municipal units losing their autonomous standing.

Halifax May Borrow $1,500,000 Shortly

The finance commission of the city of Halifax has decided to recommend that the council call for tenders for an issue of 35-year debentures capable of producing $1,500,000 at 5 per cent. to repay the Royal Bank for temporary loans made to the city in anticipation of taxes. If the plan meets favor with the council, tenders will be opened and dealt with at the end of the month.

At the request of the Works Commissioner it was decided to recommend to the council that $5,000 for water service improvement and $5,000 for sewer improvements be borrowed immediately. Under the acts of 1926 an additional sum of $5,000 was authorized for sewers and a sum of $12,500 to defray expenses in connection with the collection of tax arrears. It was decided that the amounts would be borrowed through an issue of certificates.

A surplus of $10,023 over expenditures is reported by the city of Owen Sound for the past year. Assessed value for taxation last year was $8,412,742 and the tax rate was 47 mills.

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Mistakes and Losses in Farm Loan Scheme

WINNIPEG.—Appointment of a board of three men, one a banker, another a business man and the third a farmer, to supplant the present administration and get the rural credits system placed on a businesslike basis, was urged in the legislature by Hon. T. C. Norris, Liberal leader. He admitted that mistakes had been made by the Norris government which had introduced the system, and charged that mistakes in management had been made by the Bracken government, but contended that the system should not be condemned because of losses those mistakes involved.

This Week's Bond Sales

NIAGARA FALLS ISSUE

An issue of $365,191, City of Niagara Falls, 5 per cent., 10, 20 and 30-instalment local improvement debentures has been awarded to Gairdner & Co., on a bid of 99.17. The bids were:

Gairdner and Co.	99.17
Dyment, Anderson and Co.	99.01
McLeod, Young, Weir & Co., and Matthews and Co.	98.69
Fry, Mills Spence and Co., and Bank of Commerce	98.63
Wood, Gundy and Co.	98.55
Municipal Bankers Corp.	98.44
A. E. Ames and Co.	98.38
C. H. Burgess and Co.	98.34

VANCOUVER DEBENTURES

The Royal Financial Corporation, Vancouver, has been awarded an issue of $1,700,000, City of Vancouver 5 per cent., 15 and 40-year debentures on a bid of 99.523. Following are the bids:

	Canada Only	Canada and U.S.
Royal Financial Corp.	99.523	....
V. W. Odlum & Co., Dominion Bank, Cochran, Hay & Co., Aird, MacLeod & Co., Matthews & Co.	99.511	....
A. E. Ames & Co., Bank of Montreal	99.51	99.57
Dominion Securities Corp., Canadian Bank of Commerce	99.471	....
Gillespie Hart & Todd, Fry, Mills, Spence & Co., McLeod, Young, Weir & Co., Bell, Gouinlock & Co.	99.28	99.28
Pemberton & Son, Wood, Gundy & Co.	99.22	99.36
B.C. Bond Corp., Gairdner & Co., Royal Securities Corp., McNeill, Graham & Co., Dyment, Anderson & Co., C. H. Burgess & Co., R. P. Clark & Co.	99.075	....

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WEEKLY RECORD OF CANADIAN FINANCING

Place Bond Sales—	Date	—Sold To— Municipal	Rate	Maturity	Amount	Price	Yield
Vancouver	Apr.	Royal Financial Corp.	5%	15 & 40-yr.	$1,070,000	99.523	...
Niagara Falls	Apr.	Gairdner & Co.	5%	10, 20, 30 ins.	365,191	99.17	...
St. Laurent	Apr.	La Societe Nationale de Fiducie	5%	1936	50,000	98.63	5.26
Chambly, Que.	Apr.	G. B. Courtier, Montreal	5%	1956	70,000	98.00	5.17
L'Assomption, Que.	Apr.	Rene T. Leclerc, Inc.	5%	Serial	40,000	97.15	...
Saskatoon	Apr.	A. E. Ames & Co.	5%	10 to 30-yr.	109,731	97.38	5.21
Salaberry de Valleyfield, Que.	Apr.	Brouse, Mitchell & Co.	5%	1956	175,000	99.38	5.06
Saskatchewan Schools	Apr.	Local	5½%	1936	1,000	....	...

Insurance for Buyer and Seller

INSURANCE PAYS FOR MISTAKES NEW EXECUTIVE MAKES

Business Protection Outlined by Harvard Lecturer Who Sells It

Is any man worth one million dollars as a business asset? This question provided an interesting topic for discussion in Toronto last week, when George Woodbridge, lecturer at the Harvard School of Business Research, spoke to a gathering of the Life Underwriters' Association of Toronto. Mr. Woodbridge, who is himself a successful life insurance salesman, having specialized in business insurance in Boston, told about a million dollar insurance policy he was trying to place. The firm's bankers were for it. The directors were for it. But the president of the company, who was the person to be insured, felt, in all modesty, that he was not worth a million dollars to his company. "No business man is worth that much," he declared.

Mr. Woodbridge asked him, "If you died to-morrow would the stock you hold in this company be worth as much for your family as it is to-day?" The president had to admit it would not.

"Then the same thing would apply to your stockholders—every one," was the clinching argument that Mr. Woodbridge used to sell the million dollar policy.

Every Firm Carries It

According to Mr. Woodbridge there is not a business concern anywhere that is not carrying business insurance. If it is not being carried by a life insurance company it is being carried by the business itself.

Mr. Woodbridge likens business insurance to cash held in escrow for the benefit of the business to be paid over when the loss of one of its high important officials is certain to weaken its credit and impair its efficiency. Business insurance is, then, a "call for cash." It is held for the company just as much as if gold coins were deposited in a vault to be paid over when the death of the insured executive made the cash necessary.

"Business insurance will not replace an executive but it will finance the mistakes of his successor," says Mr. Woodbridge. "It protects the company in the replacement period when the man who takes over his job is getting the practical experience at the cost of the mistakes he is bound to make. If used to protect a loan, it should be considered not as a life insurance policy, but as a contract to liquidate liabilities in the event of certain misfortune occurring."

Quote Percentages

Giving some tips to the insurance salesmen present on selling business insurance, Mr. Woodbridge counselled:

"Don't quote premiums in dollars and cents. Quote them in percentages of the face value of the policy. Business men understand percentages

"Learn the vocabulary of the business and talk in it. Be half a business man and half an insurance man. Always sell in the terms of the business you are approaching.

"Sell ordinary life for the very rich man or the very poor man. A man may have a million dollars and still be a poor man. A poor man is a man who is using every dollar he has and could use more. He needs the most protection at the least cost."

McCamus Resigns From Life Underwriters' Body

J. A. McCamus has resigned from his position of general secretary of the Life Underwriters' Association of Canada, to become director of field service for the North American Life Assurance Company.

The resignation does not take effect until May 15, and the North American Life will permit Mr. McCamus to devote such time after that date to the affairs of the association as will be necessary, until his successor is appointed.

Insurance Personals

Edward J. Traveler, manager of the Winnipeg district of the Metropolitan Life Insurance Co. for the past three years, has been promoted to the managership of the Hamilton district of the same company. All the offices of Hamilton will be consolidated under his supervision.

The progress of the company in Winnipeg has been such that two offices are being opened, both located in the Lindsay Building, but under separate managers. Mr. Traveler has been active in civic affairs since his arrival in the city from New York in 1923. He is a member of the Federal Budget Board, Board of Trade, Winnipeg Health League, Lions Club, Y.M.C.A., Winnipeg Golf Club and Life Underwriters' Association, and serves on the financial, urban and rural committees of the Board of Trade. He is at present deputy-governor of the fifth district of the Lions International, to which office he succeeded Mayor Ralph M. Webb.

* * *

Fred W. Hobson, Brandon manager, Imperial Life Assurance Company, has been promoted to chief assistant superintendent of the company for Canada, with headquarters in Toronto. While Mr. Hobson is by no means an old-timer of Brandon, he has been regarded for some years as one of the city's outstanding personalities. He is a useful member of the Brandon school board; has been international vice-president of the Kiwanis club, and has filled the chair of the Brandon club. He has also been president of the Brandon board of trade, and has done a great deal to promote good business and social relations between town and country. Mr. Hobson will leave Brandon to take up the duties of his new position about July 15.

Another Banker Tells His Views on Value of Life Insurance

By A. J. REYNOLDS,
Manager, Canadian Bank of Commerce, Peterboro, in address to life underwriters' convention.

I have always found insurance men to be a most agreeable class of fellows. They have to be or they would not qualify for the profession that requires so much tact and such knowledge of human nature and, while bankers as a class may not be such "Hail fellow well met" sort, yet there is a certain sympathetic relationship between the banking profession and that of insurance. They both follow broadly the same lines, that is, the gathering in of the savings of the people for reinvestment in commercial and other purposes at a higher rate of interest than is paid the savers, the profits, of course, going for operation expenses, dividends, etc.

There is, however, this difference between the insurance field and the banking. The bank's deposits are essentially of a temporary nature because they are at call by the public. Consequently, the bank's loans must savor of a like character, hence by law in Canada a bank is forbidden to deal in real estate, mortgages or any investments that would tie up its floating capital in any manner that would prevent its ready demand by the depositor. Insurance companies, on the other hand, receive their deposits or "premiums," as they are called, over a long period of years and they are not called upon to pay these premiums back until a stated time (excepting, of course, in case of death, the ratio of which is calculated very closely by actuaries). Consequently, they must have their monies loaned out on long term periods and therefore the tield for insurance investment is rather of the mortgage loan or bond issue type. I am pleased to say that the history of insurance companies in Canada is a very creditable one indeed, and I cannot at the present time recall a single instance of a line company facing trouble in my lifetime. It has been perhaps a little different with fraternal insurance, which was not founded on sound principles; and you cannot give people something for nothing.

Group Insurance

Now looking at your business as an outsider, I have noticed the growing tendencies recently of the group insurance plan. This is possibly a style of insurance beyond the acquisition of an agent working a lone hand and is possibly more within the line of the district agents or head office; but it would seem to me that in a place like Peterboro it should be possible to introduce the idea into some of our manufacturing concerns or business houses, the low rate of premium being certainly a very strong inducement, besides the stability of employees who are once insured in a group plan towards the firm involved. I do not suggest heavy policies. Possibly $300 to $500 policies would appeal to many concerns more than, say, the $1,000 to $3,000 denomination. I notice that the bank I represent, in the last year, insured 3,000 to 4,000 of its employees in this manner and another large bank also took the same step just about a week ago. It is a principle well worth considering, for the senior men at least in the insurance business.

Collateral Insurance

Another policy I have noticed coming to the fore is that of collateral life insurance whereby the heads of concerns are insured with policies payable to their company or their bankers in case of their death in order to prevent any loss that might be temporarily occasioned in a business through the sudden removal of an efficient officer. In my own practice, I have had occasion to take three of these policies during the past two years for quite large amounts. This policy also is possibly beyond the general canvass system because the agents has to know the inside history before he can work on it.

There is another class of insurance that I often wonder why the agents do not make more headway with, and that is insurance on married women. Whether the agent as a rule has not the winning ways to get it or whether he is too shy or what it is I do not know. I know, of course, the woman when first canvassed will likely tell him that she must consult her husband. It would be a good suggestion to ask her to consult some other husband's widow. Her advice would be more pointed or, perhaps, to avoid complications, tackle the husband first himself. When a wife and mother dies, there is usually a large bill of expense immediately thrown on the average family, generally a sick bill, funeral expenses, redisposition of the children and if a family ever needs money and the consolation that a little ready money brings, it is in a situation like this. I am sure, if these facts were forcibly placed before the average man, in many cases he would no longer hesitate to insure the wife of his life—or I mean the life of his wife, which is the same thing.

Liquor Law and Insurance

I notice you still carry the liquor clause in the medical examinations. I had once thought since the advent of prohibition that this clause would be abandoned but on consideration I think it best to leave it. In the old days when we would go on to the sawdust floor and put our feet on the brass railing and the genial bartender, wiping off the mahogany, would jokingly say, "Well gents, what's your poison?" we used to think it a harmless joke. Nowadays, when the bartender or the bootlegger, who is his logical successor, says "Gents, what's your poison?" the question is pregnant with significance.

Federal Fire to Permit Use of Oil Furnaces

Much uncertainty has been introduced into the fuel situation of Ontario by the labor complications of the anthracite coal industry, by the distance of the province from Canadian coal fields and by the increasing cost of haulage. On account of these difficulties the oil burning furnace is bound to find increasing favor, if not for merits of its own, at least because of the relief which it brings from the capricious elements of a situation which are beyond the control of the Canadian people. Recognizing the permanence of the oil burner for domestic use, the Federal Fire has anticipated the need of the insuring public by inserting in its new dwelling policy which is now in the press permission to use the oil burning furnace without extra charge. The following clause will protect the assured in this respect: Permission is hereby given the assured to use a standard fuel oil burning furnace and a supply tank of not more than 300 gallon capacity on the premises therein described.

Orwell E. Sharpe Quebec's New Insurance Superintendent

Orwell E. Sharpe has been appointed superintendent of insurance for the province of Quebec, effective May 1.

Mr. Sharpe was born near Toronto in 1891 and educated at University of To-

ronto (Victoria). Shortly after graduation he entered Dominion Department of insurance, where he served for more than two years, first in actuarial work and subsequently as assistant examiner.

In 1923 he entered the service of the Sun Life Insurance Co. at Montreal. At the date of his appointment, he was secretary of the United States Agency Department of the Sun Life. Mr. Sharpe succeeds J. P. Belanger, who resigned about December, 1924.

Wanted

General Secretary for the Life Underwriters' Association of Canada. Literary ability, tact and initiative required. Work demands organizing of local Associations, travelling and public speaking. University graduate preferred.

J. B. HALL,
60 Victoria Street.
Toronto, Ont.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
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Satisfactory Service Guaranteed
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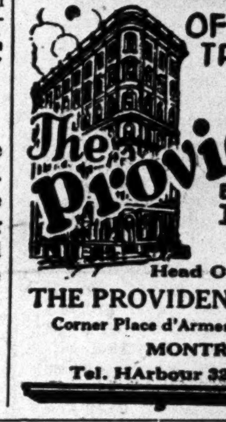


Is your rental income insured?
Your buildings are fully insured against loss from Fire, Explosion, etc. Have you made certain of your rental income? While buildings are being repaired or rebuilt loss of rentals can be fully compensated for by having a policy with us.
The Western Assurance Company of Toronto
Established 1851

THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

$50 PER MONTH For Life
A Widow's Tribute:—
"There was no end to his thoughtfulness. The Great-West Life monthly cheque never fails us; it meets every need; we are free from investment worries and the sin of extravagance."
Protection with Profit
The Great-West Life Assurance Company
33

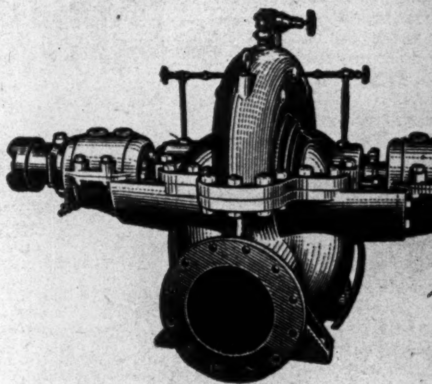
The Canada Permanent Trust Company
OFFERS you the comprehensive service of an organization which has the confidence of a clientele extending from coast to coast. With branches throughout the Dominion, and a board of Directors of wide experience and conservative methods, this company enjoys continued growth in public appreciation.
PAID-UP CAPITAL ONE MILLION DOLLARS
Acts as
Executor, Trustee, Administrator, Guardian, Registrar and Transfer Agent, and in all Trust or Agency Capacities.
Ontario Branch Office
CANADA PERMANENT BUILDING TORONTO
18

Securing your future
The man who takes out a 20-Pay Life Coupon Savings Policy to-day will receive an accumulation of benefits all through his life—protection for himself and his dependents and increased dividends every year for 20 years.
These dividends are provided in the form of guaranteed coupons attached to the policy. You clip your first coupon in 1927 and from then on their guaranteed cash value increases each year. If you leave the coupons untouched, the policy will be paid up in 15 instead of 20 years—your dependents protected without further cost to yourself.
Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.
The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
The NORTHWESTERN MUTUAL
Starting as a mutual association of business men who were determined to reduce their insurance costs, it has grown so phenomenally that to-day it is one of the largest and most successful of the Mutual Insurance Companies.
Writing Fire Insurance at Cost. Assets $2,604,266.13.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All Policies dividend paying and non-assessable.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

4,000,000 GALLONS A DAY



Our illustration is drawn from an Inglis Centrifugal Pump (4,000,000 gallons per 24 hours) at Drifting Sand Pumping Station, Filtration Plant, Toronto.
The Inglis Centrifugal Pump such as pictured on the left is giving day-in-day-out 24 hour pumping service at the Drifting Sand Pumping Station, Filtration Plant, Toronto.
Perfectly built, hydraulically balanced, embodying only the simplest, trouble free designs, these pumps are demonstrating daily throughout the Dominion what 60 years of experience has taught the John Inglis Company about manufacturing and engineering.
Our Consultation Service is free. There is no obligation for advice on your engineering problems.
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Current Events in Banking World

QUESTIONS THE MANAGER MIGHT ASK BORROWERS

Satisfactory Answers Would Make For Sound Loans

Addressing the Hamilton Rotary Club, J. P. Bell, manager-in-chief of the Bank of Hamilton division, Canadian Bank of Commerce, submitted the following questions to indicate what a bank expected of its customers. If these questions were honestly answered in a satisfactory way when credit was asked, he said, that relations between borrower and banker would be ideal:

Are the borrower's antecedents and character good?

Are his personal drawings from the business large?

Has he ever failed or had a suspicious fire?

Is he well liked and respected in the community?

Does he kite notes or checks?

Is he in good health? His age?

Is he what is known as a "rebater," and man who makes unfair claims for goods in the hope of getting rebates or other concessions?

Can reliance be placed on his statements?

What are his personal habits?

How does he spend his evenings?

Has he technical ability in his business?

Are his books properly kept?

Does he extend credit too freely or without discrimination?

Does he cut prices?

Is he careful and discriminating in the purchase of his stock or does he carry an unnecessarily heavy stock?

Is he inclined to dabble in outside ventures, such as real estate or stocks?

Does the business depend on conditions that may not be permanent?

Does he allow his machinery to become out of date and inefficient?

Does he study the particular wants of his trade with a view to meeting public demands?

Are his accounts receivable and bills receivable all genuine collectable accounts, or are they padded with slow or worthless paper?

Does he take advantage of all trade discounts?

Are his sales out of proportion to his capital?

Is his position improving year by year?

Has he any large contingent liability?

Are all his liabilities given in the statement?

Are his profit and expense accounts in proportion to his sales?

Does he buy his raw material before he is reasonably sure of the amount of his sales?

Is he over-ambitious and anxious to extend his plant out of all proportion to his working capital?

Does he turn his capital quickly, or as many times as his competitors in the same line of business?

Does he always plan ahead in regard to his financial engagements, and know where the money is to come from?

Has he made provision for continuing his business in case of death?

Does he advertise wisely?

Is the line of goods he manufactures or sells one which is easily affected by changing fashions or seasons?

How does his annual sales compare with his stock on hand and bills payable and receivable accounts?

On what basis is the inventory taken and by whom?

Are his books audited by a chartered accountant?

Stressing the necessity of banks demanding proper security for credits, Mr. Bell outlined the bank's legal and moral responsibilities in the matter. He referred to the Home Bank failure occasioned by failure to observe that rule and how the public was shocked at the revelations of reckless lending.

Mr. Bell declared that borrowing by way of overdrafts and bad financing, a system forbidden by law in the States. Canadian bankers were trying to discourage it, but many people appeared to erroneously imagine they were somehow beating the bank by obtaining their money by way of overdrafts. It would be much better for all concerned if the money were borrowed through loans.

Ormond Churchill of the Bank of Commerce, Belleville has been transferred to the main office of the bank at Toronto.—Record-News, Smith Falls.

Chatham Banks to Keep Open Till One on Saturday

The banks in Chatham have changed their Saturday closing hour from 12 to one o'clock. This is the result of the discussion which was started at a meeting of the local board of trade a couple of months ago when an agitation was launched to have the banks remain open until three o'clock on Saturday afternoons and to close on Thursday afternoons.

The argument in favor of the longer hours on Saturday was that the early closing was inconvenient for farmers coming to town.

Staff Gossip

Edward A. Kuntz has been transferred from the branch of the Canadian Bank of Commerce at Mitchell, to the branch at Atwood.—Banner, Listowel.

* * *

F. E. Lightfoot, who was for some time teller on the Bank of Toronto staff has been transferred to Burford. J. Hunter of Petrolia has taken over the duties of teller here.—Star, Oakville.

* * *

Clinton C. Cook, for the past four years teller of the Standard Bank of this city, has been appointed accountant of the Penetanguishene branch.—Intelligencer, Belleville.

* * *

O. L. Gaffield, who has been ledger-keeper in the Standard Bank here for some time past, has been transferred to the branch at Stouffville. Mr. Pierce, of Bowmanville, has taken his place here. —Gazette-Chronicle, Whitby.

* * *

Angus A. Werlich has received official notification, from the head office at Montreal, that he has been appointed manager of the Brantford branch of the Montreal bank. He will succeed A. Kohl, who retires after rendering valuable lengthy service.—Expositor, Brantford.

* * *

David Ross Kerr, for many years manager of the stationery department of the Bank of Montreal at the head office, Montreal died recently.

Mr. Kerr was born in Montreal 57 years ago. He was educated in Montreal, and 40 years ago entered the Bank of Montreal, being respectively stationed at Cornwall, Almonte, Brockville and Winnipeg, and on his return from the West several years ago he was appointed manager of the stationery department of the bank.—Mail and Empire, Toronto.

IMPERIAL BANK

The Imperial Bank announces the following staff changes: W. M. Porter, formerly manager, Trochu, Alta., has been appointed manager, North End Winnipeg branch. J. D. MacGillivray, formerly manager, Tompkins, Sask., has been appointed manager, Trochu, Alta. R. S. McClay, formerly manager, North End Winnipeg, has been transferred to Saskatoon. K. F. White, formerly accountant, Niagara Falls, has been transferred back to Essex as accountant. C. E. Merriman, formerly acountant, Market branch, St. Catharines, has been appointed accountant, Niagara Falls. A. P. Grant, formerly assistant accountant, Welland, has been appointed accountant, Market branch, St. Catharines. G. C. Brown, manager, Welland since 1897, is shortly retiring after 47 years' service and J. H. Rolph, formerly manager, Port Colborne, is being transferred to Welland to succeed Mr. Brown. E. J. Baker, formerly manager Essex, has been appointed manager, Port Colborne. H. M. McKenzie, formerly manager, South Woodslee, has been appointed manager, Essex, Ont. C. W. Cornwall, formerly teller-accountant, Harrow, has been appointed accountant-in-charge at South Woodslee.

Further Recession in Loans and Increase in Deposits

February's statement of the chartered banks to the government shows a further marked recession in current loans both from January, 1926, and from February of last year. The former drop is a further $6,875,289 and the latter, $45,645,824. Call loans abroad, however, have increased by $8,370,537 from January, 1926, and are $52,523,216 above February of last year. Savings deposits are now $71,904,311 above this time last year indicating the lack of demand for funds in business and industry. Details follow:

BANK STATEMENT FOR MONTH OF FEBRUARY

	February, 1926	January, 1926	Change	February, 1925	Change
Immediately Available Liquid Resources — ASSETS					
Specie	$ 59,941,940	$ 56,611,142+	$ 3,330,798	$ 56,799,517+	$ 3,142,423
Dominion notes	132,562,215	152,874,479—	20,312,264	151,421,247—	18,859,032
Gold Res.	55,860,332	53,360,332+	2,500,000	47,752,533+	8,107,799
U. K. banks	9,929,943	9,487,115+	442,828	8,235,164+	1,694,779
For. banks	57,575,417	55,125,822+	2,449,595	72,932,095—	15,356,678
For. curr.	22,629,381	23,956,602—	1,327,221	26,875,454—	4,246,073
Gov. secs.	364,459,286	360,139,348+	4,319,938	353,011,786+	11,447,500
Call loans, abroad	264,686,297	256,315,760+	8,370,537	212,163,081+	52,523,216
	$ 967,644,811	$ 967,870,600—	$ 225,789	$ 929,190,877+	$38,453,934
Loans and Securities Other Than Those of Canadian Government					
Public secs.	$ 136,291,805	$ 140,241,430—	$ 3,949,625	$ 154,433,558—	$18,141,753
Rly. secs.	63,518,662	62,362,788+	1,155,874	62,412,610+	1,106,052
Can. call loans	131,332,116	120,402,484+	10,929,632	117,439,335+	13,892,781
Current	862,716,608	869,591,897—	6,875,289	908,362,432—	45,645,824
Loans abroad	260,040,597	253,197,371+	6,843,226	222,305,901+	37,734,696
Prov. loans	15,636,147	14,937,526+	698,621	15,550,774+	85,373
Municipal	61,872,271	56,112,442+	5,759,829	59,729,169+	2,143,102
	$1,531,408,206	$1,516,845,938+	$14,562,268	$1,540,233,779—	$ 8,825,573
Other Assets					
Non-curr. loans	$ 9,775,039	$ 9,607,844+	$ 167,195	$ 11,311,756—	$ 1,536,717
Real estate	8,588,271	8,535,561+	52,710	8,723,077—	134,806
Mortgages	5,157,257	5,047,409+	109,848	4,046,073+	1,111,184
Premises	73,003,713	72,933,808+	69,905	73,162,763—	159,050
Lets. of credit	69,735,607	69,922,403—	186,796	60,575,513+	9,160,094
Loans to comp.	4,879,888	4,984,120—	104,232	5,385,171—	505,283
Other assets	3,050,364	3,337,390—	287,026	3,498,615—	448,251
	$ 174,190,139	$ 174,368,535—	$ 178,396	$ 166,702,968+	$ 7,487,171
Total	$2,673,156	$2,650,085,073+	$14,150,083	$2,636,127,624+	$37,115,532
Note circ. dep.	5,804,736	5,804,736	....	6,229,704—	424,968
Int. Bk. bal.	103,201,527	111,056,061—	7,854,534	102,257,261+	944,266
Gross	$2,782,249,419	$2,775,945,870+	$ 6,303,549	$2,744,614,589+	$37,634,830
LIABILITIES TO THE PUBLIC					
Circulation	$ 163,617,467	$ 160,600,699+	$ 3,016,768	$ 157,932,369+	$ 5,685,098
Dom. govt.	27,226,764	18,171,261+	9,055,503	19,085,344+	8,141,420
Prov. govt.	23,709,561	23,279,340+	430,221	26,978,891—	3,269,330
Govt. advances	2,000,000	9,000,000—	7,000,000	21,300,000—	19,300,000
Deposits by Public					
Demand dep.	$ 509,518,379	$ 524,008,635—	$14,490,256	$ 482,826,049+	$26,692,330
Savings dep.	1,332,784,116	1,316,288,358+	16,495,758	1,260,879,805+	71,904,311
Total Canada	$1,842,302,495	$1,840,296,993+	$2,005,502	$1,743,705,854+	$98,596,641
Foreign dep.	323,524,573	328,143,851—	4,619,278	392,201,812—	68,677,239
Due to Banks Abroad, etc.					
United Kingdom	$ 6,203,957	$ 4,861,697+	$1,342,260	$ 8,288,589—	$ 2,084,632
Foreign	39,900,718	39,477,765+	422,953	30,406,045+	9,494,673
Bills pay.	11,325,186	12,735,063—	1,409,877	12,262,072—	936,886
Lets. of cred.	69,735,607	69,923,403—	186,796	60,575,513+	9,160,094
Other liab.	1,817,058	1,916,598—	99,540	1,901,595—	84,537
Public liab.	$2,511,363,386	$2,508,405,670+	$2,957,716	$2,474,638,084+	$36,725,302
Due bet. banks	11,526,850	10,694,170+	832,680	10,444,429+	1,082,421
Liability to Shareholders					
Dividends	$ 2,642,093	$ 1,336,810+	$1,305,283	$ 2,523,248+	$ 118,845
Reserve	125,441,700	125,441,700	....	122,191,700+	3,250,000
Capital	116,164,660	116,164,660	....	120,164,660—	4,000,000
Gross	$2,767,138,689	$2,762,043,010+	$5,095,679	$2,729,962,121+	$37,176,568

Size of Bills is to be Changed in the States

NEW YORK.—It is now expected that unless organized opposition develops the proposed change in the size of all paper money will be made some time after the end of the present fiscal year in July.

Briefly the proposal of the Treasury Department, in an endeavor to economize to the extent of approximately $1,000,000 a year, as roughly estimated, is to change our paper money to the size of that of the Philippine currency which measures 2⅝ inches by 6¼ inches. The present bills which have remained uniform for over 60 years are 3x7 inches.

BRANCH BANK CHANGES

The Canadian chartered banks report the opening of four new branches during the month of March, and three branches closed. The Hastings and Hamilton, Vancouver branch of the Canadian Bank of Commerce has been changed to Victory Square, Vancouver, branch. Following is a list of the branches opened and closed during March:

Opened

Commerce—Rouyn, Que.

Montreal.—Claremont Ave. & Sherbrooke St., Westmount, Que.; Glenwoodville, Alta., (sub. to Cardston); Tampico, Tampa, Mexico.

Closed

Commerce.—Princess & Clergy, Kingston, Ont.; San Fernando, Trinidad.

Provincial.—Grande-Freniere, Que. (sub. to St. Eustace, Que.).

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	Apr. 16, 1925	Apr. 15, 1926
Halifax	$ 2,169,604	$ 3,108,020
St. John	2,179,101	3,173,409
Moncton	622,044	844,013
Quebec	5,071,935	5,999,960
Sherbrooke	651,486	767,401
Montreal	61,624,735	117,157,577
Ottawa	5,320,486	6,311,989
Kingston	572,272	673,460
Peterboro	809,341	733,352
Toronto	63,499,576	107,034,479
Hamilton	3,939,039	4,841,046
Brantford	725,291	1,071,489
London	1,961,769	2,634,313
Kitchener	712,916	981,250
Windsor	2,773,923	4,258,939
Chatham	....	670,278
Total, East	$152,623,518	$260,260,975
WESTERN CITIES	**Apr. 16, 1925**	**Apr. 15, 1926**
Fort William	$ 553,918	$ ....
Winnipeg	40,591,040	....
Brandon	480,837	572,380
Regina	2,632,643	4,062,270
Saskatoon	1,186,574	....
Moose Jaw	768,585	1,111,012
Prince Albert	257,912	485,683
Lethbridge	441,317	535,423
Calgary	5,577,883	9,660,191
New Westminster	523,218	781,511
Vancouver	13,211,872	17,968,805
Victoria	1,374,191	2,164,522
Edmonton	3,511,716	5,305,667
Medicine Hat	229,592	258,312
Total, West	$71,341,298	$42,905,776

BANK MERGERS TO KEEP UP TO TIMES

Changes in Modern Business Conditions Make New Service Demands

The reasons underlying the present tendency toward bank consolidations in the United States are given in a letter sent to its customers by the Mechanics & Metals National Bank of New York. This bank consolidated with the Chase National Bank on Monday, April 12.

"Varied demands have come to be made on banks by domestic and international business.

"Business progress of recent years has been on such a scale and has brought about so complete a change from the old systems of individual operation, that bank organization, simply to keep abreast of progress, has found it necessary to develop along broad lines and follow new directions of service. The wide extension of industrial and commercial relations has compelled the use of credit on a constantly enlarging scale, and in many ways banks have been called upon to serve business so that there might come about a full realization of the advantages in sight.

"It is because of the opportunities which have developed in business and finance that large banking units, which can operate on a broad scale and at the same time offer the advantages of sound direction and capable economy, are now a necessity. There is still need for the neighborhood and community bank, and in the United States there will always be that need. But the functions and productive endeavors of large financial institutions, their capacity to undertake loans and credits which run to big figures, their work in the trust and foreign fields, and their capacity to develop advantages of economy and efficiency in operation, all now combine to constitute a most important constructive factor in the financial affairs of corporations, firms, business and individuals as well.

"The basis of American business success has been and will continue to be found in the soundness and the capacity for development of its credit structure, and increasingly important accomplishments may be expected as time goes on to support and promote the development of what the business of the country now possesses. Having played its part in progress thus far, banking must continue to keep pace with progress and contribute to bring that progress about."

Herbert Tareyton London Cigarettes

"There's something about them you'll like"

20 for 35¢

T38

For your Pipe Herbert Tareyton Smoking Mixture

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Investing in Accumulative Bonds may be looked upon as buying dollars at a discount. $156.24 will purchase a bond for $200.00 payable at the end of five years.

These bonds are issued by Canada's premier mortgage corporation, which was established in 1855, and has assets of more than

$48,000,000.00

Please call or write for full particulars of this attractive and popular investment plan.

CANADA PERMANENT MORTGAGE CORPORATION

14-18 TORONTO STREET - - - - - TORONTO, 2

STOBIE, FORLONG & CO.

STOCKS BONDS GRAIN

Second Floor, Reford Building

BAY AND WELLINGTON STREETS

Toronto

Private Wire System

HAMILTON BRANTFORD KITCHENER OSHAWA

Montreal

141 Notre Dame Street, West

HARRICANA MINES

GOLD

"One of the best speculative opportunities of NORTHERN QUEBEC"

HARRICANA MINES have over 300 acres immediately between The Clark-Reed and The Stabell Mines, two of the Biggest GOLD MINES of the Northern Quebec. Have secured assays running $42.80 per ton. Are offered to be financed by English Capitals.

HARRICANA MINE is considered as one of the coming big Gold Mines of the North-western Quebec.

DIRECTORS

Dr. V. Martin, mayor of Quebec City.
Lieut.-Col. Henri Gagnon, managing director of the newspaper, "Le Soleil," Quebec.
Olivier Drouin, Director and Superintendent of the Rock City Tobacco Co.
C. E. D'Auteuil, vice-president and manager of the D'Auteuil Lumber Co.
J. H. Pare, K.C., Quebec. Henri Fontaine, financier, Quebec.
Raoul Chenevert, architect. Charles Gagnon, insurance adjuster
Consulting Engineer: Chas. Spearman, Montreal.
Manager: A. J. T. Wendt-Wriedt, Amos.

Price: $0.25 (par value $1.00)

Detailed information supplied on application

The Harricana Financing Syndicate Rgd.

267 St. Paul St., Quebec

Return of the Chartered Banks of the Dominion of Canada, February 27, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	42,182,649	17,621,861	....	4,841,353	140,727,077	372,887,913	64,910,595	2,394,000	2,323,366	5,362,576	841,503
Nova Scotia	14,241,749	1,817,533	....	1,372,588	26,325,054	117,718,554	32,585,054	2,166,383	233,868	1,315,734	706,444
Toronto	7,405,492	143,653	....	1,024,495	27,606,659	54,063,784	....	1,008,579	....	2,114,891	195,975
Provinciale	3,668,713	97,593	....	278,698	4,448,939	30,155,803	....	....	....	28,782	....
Commerce	25,981,136	3,198,241	....	4,441,048	110,858,879	217,795,810	40,990,520	652,031	2,353,744	10,082,985	2,425,247
Royal	35,903,730	1,966,146	....	5,554,400	115,998,546	280,245,826	180,567,283	1,433,429	557,937	17,933,482	7,052,773
Dominion	6,942,793	522,260	1,000,000	854,146	23,225,645	61,538,844	2,266,689	782,295	486,589	1,390,725	103,244
Standard	6,048,505	236,214	1,000,000	1,126,728	16,493,552	49,210,898	....	2,351,353	71,159	736,447	....
Nationale	11,318,244	426,335	....	1,022,577	17,426,228	81,379,388	1,403,992	575	161,724	638,742	....
Imperial	9,361,069	1,136,805	....	3,176,094	24,926,533	65,512,383	....	738,205	15,570	276,660	....
Weyburn Security	563,387	60,123	....	17,374	1,481,227	2,234,873	....	....	....	19,694	....
Total	163,617,467	27,226,764	2,000,000	23,709,561	509,518,379	1,332,784,116	323,524,573	11,526,850	6,203,957	39,900,718	11,325,186

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notesheld	Greatest amount notes in circ
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	12,582,875	627,552	909,842	29,916,700	29,916,700	728,046,570	31,175,000	12	1,344,744	19,788,700	69,532,311	42,189,353
Nova Scotia	6,079,488	152,374	8,288	19,500,000	10,000,000	234,623,196	15,000,000	16	1,166,397	9,404,576	8,173,564	14,241,749
Toronto	1,098,263	186,362	151,388	7,000,000	5,000,000	106,999,584	10,000,000	12	902,932	427,189	4,907,028	7,405,492
Provinciale	....	123,442	71,431	1,500,000	3,000,000	43,413,404	5,000,000	9	....	179,499	246,057	3,668,713
Commerce	13,688,799	....	604,884	20,000,000	20,000,000	473,073,728	25,000,000	12	5,086,502	16,906,000	23,938,000	26,081,685
Royal	28,576,945	....	746,349	24,400,000	24,400,000	725,736,913	30,000,000	12	1,617,190	11,293,441	17,689,735	35,903,730
Dominion	5,958,303	522,593	801	7,000,000	6,000,000	118,594,930	10,000,000	12	817,600	2,144,000	4,035,000	6,942,793
Standard	377,557	204,690	5,334	2,900,000	4,823,400	85,585,841	5,000,000	12	362,857	594,141	4,397,381	6,102,945
Nationale	840,260	....	139,069	5,500,000	5,500,000	125,757,138	10,000,000	10	98,838	852,336	4,427,456	11,318,244
Imperial	533,117	....	3,907	7,500,000	7,000,000	120,180,346	10,000,000	12	712,797	980,063	7,145,435	9,528,719
Weyburn Security	....	....	800	225,000	524,560	5,127,039	1,000,000	5	85,542	23,998	56,816	640,397
Total	69,735,607	1,817,013	2,642,093	125,441,700	116,164,660	2,767,138,689	152,175,000	.....	12,195,399	62,593,943	144,548,683	164,023,820

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stock	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	19,772,503	56,799,846	3,072,726	824,114	17,750,133	144,304	16,748,484	92,698,556	36,660,021	2,829,880	13,166,667	155,088,555
Nova Scotia	9,368,596	7,480,46[illegible]	919,394	1,594,198	7,672,814	....	2,344,800	33,926,566	11,184,814	4,518,668	16,674,757	14,167,772
Toronto	421,049	5,484,796	441,190	61,014	4,845,208	....	3,963,785	21,568,600	7,311,973	4,661,211	6,545,299	1,000,000
Provinciale	172,563	210,254	524,750	42,150	1,212,811	2,640,355	217,730	4,782,034	1,340,716	2,736,516	9,882,323	....
Commerce	10,132,619	19,123,245	2,003,265	1,661,563	15,691,818	1,001	17,915,544	58,685,062	26,442,605	11,736,106	24,078,517	24,516,520
Royal †	15,433,355	22,625,595	3,310,740	18,086,234	22,613,876	3,349	21,199,449	87,104,390	28,330,679	20,410,915	26,911,036	57,137,738
Dominion	2,132,539	5,102,145	873,615	100,428	4,193,288	....	1,473,328	17,174,288	6,386,276	2,493,704	8,584,529	4,825,712
Standard	592,337	3,569,084	422,413	39,499	3,353,599	....	1,099,880	12,891,989	3,659,710	2,533,192	10,690,071	....
Nationale§	919,977	4,440,207	1,075,145	137,490	3,554,072	756,791	815,397	18,647,113	8,114,543	1,047,690	7,072,540	650,000
Imperial	972,328	7,671,749	757,384	82,071	4,206,207	698,950	1,689,259	16,113,595	6,851,154	67,461	7,726,377	7,300,000
Weyburn Security	24,074	54,830	30,095	620	18,549	413,685	37,704	867,093	9,314	483,319	....	....
Total	59,941,940	132,562,215	13,430,717	22,629,381	85,112,375	4,658,435	67,505,360	364,459,286	136,291,805	63,518,662	131,332,116	264,686,297

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	201,188,250	41,002,114	26,066,718	2,714,419	921,494	1,259,148	12,150,000	12,582,875	1,282,241	14,000,000	1,449,739	511,953	730,684,751
Nova Scotia	66,527,072	22,658,976	6,088,516	399,641	57,716	82,664	7,517,134	6,079,488	473,820	6,000,000	....	127,793	235,865,676
Toronto	41,237,986	....	2,014,934	261,902	....	218,012	3,547,139	1,098,263	249,267	3,055,866	....	....	107,987,502
Provinciale	15,041,651	....	1,160,789	205,607	386,114	100,750	1,725,826	....	155,800	700,000	....	258,159	43,496,906
Commerce	174,344,340	29,838,134	18,068,823	2,084,541	2,280,279	785,517	11,919,904	13,688,799	1,000,000	9,000,000	1,555,148	336,492	476,889,852
Royal †	168,815,158	161,122,209	9,704,457	2,547,586	2,350,158	1,174,480	15,674,100	28,576,945	1,440,000	11,000,000	1,875,001	536,163	727,983,624
Dominion	49,647,625	2,335,382	777,047	304,862	64,665	19,530	5,941,106	5,958,303	310,000	900,000	....	392,129	119,990,511
Standard	38,461,100	....	1,647,323	629,225	299,820	173,522	3,744,217	377,557	258,000	1,300,000	....	147,842	85,890,388
Nationale§	57,118,753	980,456	5,909,490	184,551	1,378,488	766,618	5,556,880	840,260	283,419	6,200,000	....	192,893	126,552,783
Imperial	48,278,984	1,993,326	6,059,028	342,652	658,217	479,016	4,985,066	533,117	325,458	3,504,466	....	472,642	121,768,517
Weyburn Security	2,055,689	200,000	11,293	100,053	191,320	98,000	242,341	....	26,731	200,000	....	74,190	5,138,909
Total	862,716,608	260,040,597	77,508,418	9,775,039	8,588,271	5,157,257	73,003,713	69,735,607	5,804,736	55,860,332	4,879,888	3,050,256	2,782,249,419

**Of this deposit, $17,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, APRIL 8, 1926.

WAINWRIGHT IS CONFIDENT OF ANOTHER WELL

Calgary Speculation is Not in Evidence at Edmonton

By D. E. CUSHING,
Mining Editor, The Financial Post.

EDMONTON.—By end of present week Wainwright oil field should have another well brought in. This promises to give a real line on the possibilities. Much is expected of this well by experts. They look for a much better well and better oil. Critics of the field heretofore have not attacked its possibilities as an oil producer but have not spoken well of the quality of its product—a heavy crude, which some have been pleased to term useless and more like tar. The fact is that distillate from the field will provide fuel for many farm tractors this year and is already replacing coal on some C.N.R. locomotives in the mountains.

The new well to come in is being drilled by the Edmonton-Wainwright Company, organized in Edmonton but financed in Toronto. The well has already definitely proven beyond any doubt the most important fact that Wainwright operations are on a definite structure. The new hole is six hundred feet north of the producing well of British petroleums. It shows a rise in structure in that distance of slightly under nine feet with attendant thickening of different formations. Notably coal seam and underlying kootenay limestone. These are favorable factors.

When the writer was at the well, operations were halted awaiting drying of cement. Final operations were expected to be completed by the end of the week. A gusher is not expected. Experts say it will be necessary to go a thousand feet deeper for such a possibility, but drillers look for a better well than the British Petroleum producer which runs a little under a hundred barrels daily. One of the main reasons for better prospects is that the liner in the well will have a much larger screen. It is felt that the one-eighth screen in the British Petroleum well and the heavy nature of crude retards production.

Two Fields Compared

There is as much difference between the Turner Valley field and Calgary, and the Wainwright field and Edmonton, as between day and night. Turner Valley is feverish and expectant. In Calgary everything is oil. Slightest rumor sends stocks soaring, this field has one producer, a spectacular one and numerous wells drilling. Wainwright has one producer, there is a limited amount of enthusiasm in Edmonton but excitement is absent. Stocks sell for most part below par, while in Calgary the order for companies with nothing better than a hole in the ground and some possibilities, is from double par up.

There are indications of much activity by drillers in the Wainwright field this year. The Financial Post is reliably informed that several drilling contractors operating in Montana field will move up to Wainwright shortly. It will help the field. Seventeen days' actual drilling put down the well just to be brought in. It cost $28,000. This makes the field attractive to the small company as keen competition will materially cut drilling costs, with the desired goal of around $10,000 per well. This contrasts with a cost of $150,000 up in Turner Valley. It should not be forgotten, however, that the reward in the latter field, as measured by the one producer, is commensurate with the risk and cost.

Moose Mountain Area Likely Oil Prospect

The taking over of the old Moose Mountain Oil Company's No. 2 well by the Signal Hill Oil Company, and similar operations, has aroused keen interest in the possibilities of this area which is adjoining the Turner Valley field in Alberta. Several other companies have been formed to carry on active drilling operations in the Moose Mountain area. The Imperial Oil Company has secured large holdings in the district and is already drilling a well with a full standard rig to the north and east of the old Moose Mountain Company's holdings.

Drilling already done in the Turner Valley and adjoining fields, and a study of the geological conditions, indicates a strong possibility that there is a huge body of crude oil in the Moose Mountain structure. There is believed to be a distinct advantage in this field in that oil which should be found in the Kootenay and Fernie formation ought to be reached at a depth of from 2,500 to 3,000 feet. This is an advantage since it is after encountering a depth of 2,500 feet that the most expensive drilling takes place.

All Nova Scotia Proud of Miles' Feet

The prize for the best typographical error of the year must be awarded to the Montreal Gazette, which reports that Hon. J. C. Douglas, attorney-general of Nova Scotia, wired to John C. Miles, winner of the Boston Marathon:

"...All Nova Scotia is proud of you. The fact that you are a constituent of my own in Cape Breton makes me doubly proud of your feet."

ALBERTA IS ONLY PROVINCE LIKELY TO ADOPT LOANS

(Continued from page 1)

upon credit. We owe something to those who have advanced the credit. Most of us think we have paid the debt. Looking back over the twenty-five years I have spent on the prairies. I can number by the score among my acquaintances, business men who have failed because they were too liberal in giving out credit and because having given that credit some at least did not pay the debt. The risk of business under those conditions has made prices high. It is a well established truism among individuals, as well as in communities, that our real danger lies in our greatest asset. The greatest asset Western Canada has had, apart from its fertile lands and aggressive people, has been the ease with which credit could be secured; and credit indiscriminately given has been its greatest curse.

"It is my opinion, based somewhat upon our experience with the Farm Loans Board, that no rural credits scheme can live on low interest unless the most careful discrimination is shown in giving credit. Low rates of interest can only exist if based upon gilt edged security. The best farmers in Saskatchewan to-day are not asking for easier credits, they are asking for lower rates of interest based upon real security which they are willing to give. In other words, they are asking all of us not to expect the man who works at his job to pay the bills of the man who neglects to take advantage of the opportunities which are his."

The Federal Plan

The chief features of the federal farm loan plan are outlined as follows:

"That the board shall issue farm loan bonds to make long-term loans to farmers, and the government of Canada shall provide initial capital of the board to an amount not exceeding $5,000,000 and subscribe an amount of 5 per cent. of the capital stock as loans are made by the board.

"The government of each province in which loans are made shall be required to subscribe to the capital stock of the board as loans are made in such province an amount equal to 5 per cent. of the said loans and each borrower an amount of 5 per cent. of his loan, payable at the time the loan is made. The loans shall be made on the security of first mortgage on farm lands. The interest rate shall be such a rate in excess of the interest payable on the farm loan bonds as is sufficient to provide for the expenses of operation. The farm loan bonds shall be legal investments, and may be purchased by the minister of finance provided that the amount of such bonds held by him shall not at any time exceed $15,000,000 and the amount of any payment by the government of Canada on account of capital of the board or as payment for farm loan bonds purchased shall be paid out of the Consolidated Revenue Fund on the authority of the Governor-General-in-Council.

As outlined in the bill, it is understood the scheme will work as follows:

The Land Bank directorate will be organized; the provincial boards will be formed; loaning will commence. When loans are approved the bank will obtain the necessary money by a temporary advance from the Federal Treasury, leaving Land Bank bonds as security. Then when a considerable amount has been loaned, the bank will float bonds in the open market on the securities of the mortgages. With the money thus raised the bank will redeem the bonds held by the federal treasury by repaying the advances. This procedure will be repeated.

The bill provides only for long-term loans. The life of a loan is not fixed, but it probably will be more than 30 years.

New Royal Supervisor British Columbia Branches

WINNIPEG.—R. H. Baird, for the last six months supervisor of Saskatchewan branches of the Royal Bank, and formerly manager of the Winnipeg branch, has been appointed supervisor of British Columbia branches, and leaves his present headquarters, Regina, for Vancouver.

Mr. Baird's place at Regina will be taken by W. G. Yule, who is also known in local banking circles. Mr. Yule was at one time manager of the Northern Crown Bank here. At the time of the merger of the Northern Crown with the Royal, Mr. Yule was moved to Regina as Royal Bank manager. Since then he has had a varied banking experience, having held posts in Trinidad and Cuba. Mr. Yule is already at Regina, and will take over his new work immediately.

Government Does Not Know Hudson's Bay Promotion

Although claiming the sponsorship of the Canadian government in real estate activities on the shores of Hudson's Bay, the Hudson's Bay Exploratory Syndicate, of Cleveland, Ohio, is unknown to the government. This information came out in the House of Commons at Ottawa as a result of the exposure last week of the claims made by the syndicate in selling memberships and land to Ohio citizens.

W. Earl Rowe, M.P. for Dufferin-Simcoe, read in the House of Commons the article in last week's issue of The Financial Post, outlining the claims made by the syndicate in its prospectus. The article it will be recalled told how the syndicate was offering land on Hudson's Bay at $1 an acre, the land to be obtained by way of grant from the Canadian government, which was stated to be sponsoring the project. Mr. Rowe asked in the House:

"Are any such negotiations or proposed arrangements as intimated in this article under way? If not, have any steps been taken to restrain the improper use of the Canadian government's name for advertising purposes?"

In reply Hon. E. M. Macdonald, Minister of Defence, disclaimed any knowledge of the matter and promised investigations. He said:

"I was not able to follow the article as the hon. member read it, but I gathered that it referred to some suggested proposal in connection with air-craft exploration. So far as I know, no information has reached the government regarding any project, but I shall read my hon. friend's question carefully and advise him later."

The Foreign Exchanges

Conducted by S. J. ZACKS.

The foreign exchanges moved in erratic fashion during the past week. New lows and highs were established for various exchanges. The Belgian and French francs have established new lows, while Canadian funds have reached the gold export point, necessitating the flow of $8,500,000 of gold to Canada.

The continued strength of Canadian funds constitute a source of gratification to many Canadians. Canadian dollars at a premium of 11-64 of one per cent. on Tuesday, reached a new high. Heavy purchases of Canadian dollars in connection with opening of navigation, paper mill projects, and other Canadian investments continue to give buoyancy to our funds.

On Wednesday Belgian franc touched a new low, while the French franc recovered from the Monday's new low of $.0330½, closing on Wednesday at $.0335, the Belgian franc reacted to $.0359, a new low for all time. It is stated that the Belgians are experiencing difficulty in securing suitable terms for their stabilization loans.

Favorable news of a preliminary Franco-American debt funding plan has come forth, bringing a rally in the franc. It is understood Beringer and Mellon's agreement must be approved by American debt commission, but the definite nature of the Cabinet's approval indicates that the French Government is positive the preliminary agreement will be signed.

By the provisional agreement, France will pay $25,000,000 yearly for five years, representing an increase of $5,000,000 yearly over interest payments now being made. France has been paying $20,000,000 annually for some years, representing interest on the $407,000,000 of A. E. F. supplies purchased by France. The whole debt is now being consolidated, the $25,000,000 annual payment will cover all.

An improvement in Japan foreign trade figures is seen. Preliminary Japanese foreign trade returns for second April 10 day period show exports 49,705,060 yen, a decrease of 15,455,000 yen; import balance 26,371,000 yen, a decrease of 8,507,000.

Import balance for 1926 to April 20 is 280,614,000 yen, which compares with import balance of 433,087,000 yen in same period last year.

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
April 15	x5-32	x11-64	1-16	1-16
April 16	x11-64	x11-64	1-32	1-32
April 17	x11-64	x11-64	1-32	1-32
April 19	x11-64	x11-64	1-32	1-32
April 20	x11-64	x11-64	Par	Par
April 21	x5-32	x11-64	Par	Par

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
April 15	4.85⅝	3.38½	4.02⅛
April 16	4.85 13/16	3.35½	4.02⅛
April 17	4.85 13/16	3.33½	4.02⅛
April 19	4.85 13/16	3.30¾	4.02¼
April 20	4.85⅝	3.32½	4.02¼
April 21	4.85 15/16	3.35½	4.02¼

FOREIGN EXCHANGE

Par		Close Apr. 14	Close Apr. 22
19.30	Italian	4.02	4.01⅝
23.82	German	23.77	23.77
32.45	Brazil	13.81	14.12
19.30	Belgium	3.76½	3.59
49.85	Japan	46.46½	47.23

RECORD MOTOR SALES

DETROIT.—Retail sales of Dodge Brothers Motor Cars and Graham Brothers Trucks by dealers in the United States in the period from January 2 to April 3, 1926, established another phenomenal record with a total of 70,599 units as compared with 51,318, a gain of 19,281 or 37 per cent. over the same period in 1925.

Railway is Authorized to the Flin Flon Mine

WINNIPEG.—A bill authorizing the construction of a railway line from a point near La Pas to the Flin Flon Mine in Northern Manitoba passed its third reading in the provincial legislature yesterday. This represents a preliminary step toward serving Flin Flon Mine with railway transportation. Construction will not commence until the Harry Payne Whitney interests intimate that they are ready to proceed with the construction of mining plant and smelter, preliminary to starting operations on a large scale. It will require some considerable time in preliminary and experimental work before such assurance can be given. The present bill, therefore, is in the way of an assurance to the option holders on the Flin Flon that a railway line will be built when they themselves are ready to proceed. This line will be approximately 90 miles long, and it will operate under a provincial charter, linking up with the Canadian National line through La Pas.

TULL AND COMPANY REORGANIZED

CALGARY.—The business of G. F. Tull Company, Ltd., of Calgary is being carried on as heretofore by the same members as last year, R. C. Carlile and George G. Farr, both of whom have been with the firm for some years. As G. F. Tull is retiring from the firm, the name is changed to Carlile and Farr, Limited. The new director is M. D. McCarthy, who has been with the house for the last five years.

NATIONAL CEMENT ANNUAL

MONTREAL.—The annual meeting of the National Cement Company was held here this week, and, due to the absence of several of the larger shareholders, who are at present abroad, it was adjourned for a month.

The management of the company has made no official announcement as to the effect of the cut in prices on earnings.

Tenders for Loan

SO MARKED, will be received at this office up to 12 o'clock noon on the 29th day of April, 1926, from parties disposed to purchase Debentures or Stock of the City of Halifax, in whole or in part, as below described, sufficient to produce at the price offered the sum of $1,502,200, to be used by the City for the following purpose:

Particulars of Present Issue

For the purpose of repaying to the Royal Bank of Canada the temporary loans made by the Bank in anticipation of the collection of taxes and interest for Civic years previous to the first day of May, 1926, under Chapter 62, Acts 1926	$1,500,000.00
Loan expenses under Section 2, Chapter 72, Acts 1908	2,200.00
	$1,502,200.00

Term to run 35 years from July 1, 1926. Rate of interest 5 per cent. per annum. Coupon Debentures for $1,000.00 each or Stock Certificates of multiples of $100.00 will be given, payable in lawful money of Canada.

Debentures can be registered as to principal.

Interest payable half-yearly in lawful money of Canada, on the 1st January and 1st July. Principal payable 1st July, 1961.

Engraver's plate ready, but Debentures not printed. Delivery within one month. Interim receipts may be had on request.

A Special Sinking Fund is provided by law (Sec. 5 & 7, Chap. 62, Acts 1926) for the redemption of this Debt of the City.

Place of payment for principal and interest: The Office of the City Treasurer, Halifax, N.S., and at the Royal Bank of Canada at Montreal, Toronto, Winnipeg, Vancouver or New York.

The City will pay to the parties loaning the money the accrued interest from the time of paying over the amount loaned to July 1st, 1926. The loan to be paid in Halifax Funds, and the securities to be delivered in Halifax, at the Office of the City Treasurer.

The Committee on Finance, subject to the approval of the City Council, will award the tender.

The City does not bind itself to accept the highest or any tender, and reserves the right to accept from any tendered such portion of the whole as it deems necessary.

There has never been any default on the part of the City on payment of its obligations; nor has there ever been any litigation affecting the validity of its bonds.

JAMES J. HOPEWELL,
City Treasurer.

HALIFAX, N.S., April 16th, 1926.

Your Two Incomes?

EVERY man started out in life should have two incomes, one from his business, trade or profession and one from his investments. As he progresses, the income from his investments should grow until it is sufficient to provide all the necessities of life for himself and for those who are dependent upon him. He should devote as much care and study to the building up of his investment income as he does to fitting himself for his business, trade or profession.

His savings should be invested, but only after careful investigation. There are plenty of good investments in which savings may be placed, and it will pay the investor to take plenty of time to investigate each opportunity, as mistakes are easy to make, but hard to rectify, and one unfortunate investment may result in the loss of the accumulated savings of many years.

Low yields are not always safe, and high yields are not always dangerous, but today the average of safety seems to lie within the bounds of 5% to 6%.

If you are considering the investment of any funds, or if you have any investments in regard to which you would appreciate the opinion of a financial institution that for over 43 years has never recommended nor sold a bond that has failed to pay principal and interest, then we suggest that you consult us with the utmost confidence.

G. A. STIMSON & CO.
LIMITED EST. 1883
The Oldest Bond House in Canada
300 Bay Street : Toronto

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1926.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 20th April, 1926.

Reliable party with 300 ft. trackage in Regina would like to act as manufacturers' distributing agent, fullest investigation, both ways. Apply to Box 126, Financial Post, Toronto, Ont.

WANTED
EXECUTIVE POSITION

By energetic man with 25 years' financial experience—Promoting—Loan Company Management—Trust Company Organization and Management. Free June 1st. Willing to go to Vancouver. Reply in confidence to Box 120.

A GENERAL EXECUTIVE.

Who has about completed the rehabilitation of an Important Manufacturing Industry with diversified products, and possessing a large Branch and Agency Distributing Organization, wishes to offer his services to another Corporation which may desire to utilize his experiences in investigating and improving conditions.

Have met with gratifying success with present and former principals in reducing costs by eliminating leaks, increasing production, reducing inventories of raw material and finished products; consequently adding very materially to the net profits of the Industry.

The results in former and present experiences were obtained by evolving a simple but comprehensive accounting analysis embracing accurate cost data, current material and stock control and, by utilizing these facts and figures in co-operation with the Engineering Staff, the Superintendents and Heads of the various Departments and the Selling Organization in attaining the desired goal.

Some lines of activity investigated consisted of the manufacture and sale of Pulp and Paper, Iron Mining, Smelting, Casting and Machining, The Operation of Timber Limits and Saw Mills, Retail Distribution by a high grade Chain Store Organization, etc., etc.

Names of present and former principals will be gladly furnished upon request. Age 45. Remuneration according to extent of responsibilities to be undertaken and upon results secured. Box 122, Financial Post, Toronto.

McIntyre Porcupine Mines
LIMITED
(No Personal Liability)
DIVIDEND NO. 30.

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of June, 1926, to shareholders of record at the close of business May 15th, 1926.

By Order of the Board,
BALMER NEILLY, Treasurer.

Dated at Toronto, April 15th, 1926.

THE BANK OF TORONTO
Dividend No. 179

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter being at the rate of Twelve Per Cent. per annum upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the FIRST day of June next to shareholders of record at the close of business on the 15th day of May, 1926. The Transfer Books will not be closed.

By order of the Board.

JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto.
April 14th, 1926.

The Standard Bank of Canada

Quarterly Dividend Notice No. 142

A Dividend of Three Per Cent. (3) for the three months ending 30th April, 1926, being at the rate of Twelve Per Cent. (12) per annum, has been declared, payable on the 1st of May, 1926, to Shareholders of record as at the 16th of April, 1926.

By Order of the Board,

N. L. McLEOD,
General Manager.

Toronto, March 24th, 1926.

Dividend No. 15
Preferred Stock

Dominion Financial Corporation Limited

NOTICE is hereby given that a dividend of 2% on the Preferred Stock, being at the rate of 8% per annum, has been declared for the current quarter, payable on and after May 1, 1926, to shareholders of record March 31, 1926.

By order of the Board,

C. MORRISON,
Treasurer.

Montreal, April 12, 1926.

Tender for Debentures

Sealed tenders addressed to the undersigned and marked "Tenders for Debentures" will be received up to 12 o'clock noon, Friday, May 7th, 1926, for the purchase of $70,000.00 County of Peel Debentures bearing 5% interest and payable in ten equal annual instalments as to principal and interest, issued under the authority of By-law No. 662, to pay twenty per cent. cost of construction of Provincial Highways within the said County for the years 1924 and 1925.

L. H. WILLIS, County Clerk.

Brampton, Ont.

Debentures For Sale

Sealed tenders addressed to the undersigned and marked "Tenders for Debentures" will be received up to 8 o'clock P.M. on Monday, April 26th, 1926, for the following Debenture:

By-Law No. 136

For building four-roomed addition to present school. Term, 15 years. Interest, 6%.

These Debentures will be dated May 1st, 1926, repayable in 15 equal annual instalments of principal and interest at Canadian Bank of Commerce, Herbert.

The highest or any tender not necessarily accepted.

Full particulars regarding financial standing can be obtained from undersigned.

P. H. KLASSEN,
Sec.-Treas.

Herbert, Sask., April 14th, 1926.

CITY OF MOOSE JAW

Sealed tenders endorsed "Tender for Debentures" will be received by the undersigned up to 4 P.M. on Friday, the 14th May, 1926, for the following debentures, amounting to $25,452.18:—

By-Law No.	Amount	Term	Purpose
1208	$7,534.00	30 Yrs.	Water Mains.
1209	4,000.00	30 "	Water Mains.
1210	4,866.00	30 "	Sewers.
1211	2,702.18	10 "	Sewer and Water House Connections.
1212	6,350.00	15 "	Sidewalks.

All bearing interest at the rate of 5% per annum, payable half yearly, with principal payable at the date of maturity.

These debentures are a direct obligation of the city at large.

Alternative offers on the basis of interest and principal payable in Canada only and in Canada and the United States requested.

Parties tendering are required to state the net price for Moose Jaw payment and delivery of securities.

The highest or any tender not necessarily accepted.

W. W. DAVIDSON, Mayor,
GEO. D. MACKIE,
City Commissioners.

NOTICE OF DIVIDEND
Famous Players Canadian Corporation, Limited

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st of May, 1926, has been declared upon the First Preference stock of the Company, payable the 1st day of June, 1926, to shareholders of record Saturday, the 30th day of April, 1926.

By Order of the Board.

N. L. NATHANSON,
Managing Director.

Dated at Toronto, this 19th day of April, 1926.

Canada Cement Company Limited

Preference Shareholders

DIVIDEND No. 65

Notice is hereby given that a dividend of 1¾% for the three months ending March 31st, 1926, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 15th day of May next to Preference Shareholders of record at the close of business April 30th, 1926.

H. L. DOBLE,
Secretary.

Montreal, April 15th, 1926.

The Canadian Bank of Commerce

Dividend No. 157

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1926, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st June next. The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 16th April, 1926.

THE A. W. Chase Company
LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2% quarterly dividend on the 8% preferred stock of this company has been declared for the quarter ending May 1st, 1926, payable May 10th, 1926, to shareholders of record May 1st, 1926.

By order of the board.

W. J. STONE,
President.

Toronto, April 15th, 1926.

Busy Paying Off War Debts, Peace-Loving Canada Dislikes Spending Heavily in Defence

Senator Dandurand, in Notable London Address, Shows Why Canada Objects to Charge That She is "Sponging" on Others for Defence

By HONORABLE RAOUL DANDURAND,
Address before Canada Club in London

I DESIRE to give you an insight into Canada's mentality on questions, which we do not all see from the same angle. I do not presume to speak for the universality of the Canadian People, but I believe that I know fairly well the feeling of a very large part of our community, throughout the whole Dominion.

Family gatherings, such as this one, should allow of an intimate exchange of views, so that we may have a better understanding of one another.

A few historical facts may easily explain our present mental attitude. You all know that in 1913 and 1914 preparations were going on for the celebration in the United States and Canada of one hundred years of peace. My country had enjoyed phenomenal prosperity during the preceding fifteen years. It was developing magnificently. Immigrants were flowing to our shores by hundreds of thousands and we were then building a third transcontinental railway. We had a very moderate taxation, indirect, therefore unseen by the many and mostly unfelt. We had no income tax and, when we look backwards, we now realize that we enjoyed a real earthly paradise. Our Federal income or levy was around 130 millions of dollars and our expenditure for defence twelve millions.

War Changed Britain

Then the war came.

Our immigration stopped. The transcontinental railway systems went bankrupt, and the Dominion fell heir to them, with 100 millions deficit a year. Our tax levy went up from 130 millions to 350 millions, and our expenditure for defence, war debt service and pensions jumped up from 12 millions to 144 millions annually.

These figures stare us constantly in the face. They may seem comparatively small were we to consider them in relation to the accumulated wealth of centuries enjoyed by Great Britain, but for a young country like Canada the burden is a heavy one. We now know what income tax is and have many other new taxes which impede our trade, raise our cost of living and hamper our development. Our situation has become all the more difficult, because our neighbor to the south has methodically reduced its own taxation. The United States, rich in men and in wealth, forges ahead, and its power of attraction is all the time growing. We, in Canada, constantly feel the increasing influence of this magnet. Our neighbors have established the immigration quota against the world, but not against Canada.

No Budget Equilibrium Yet

After eight years of peace, we have not yet succeeded, because of our railway deficits, in establishing equilibrium in our budget. We are struggling manfully to that end. Our first duty to our own country, aye, to the Empire, is to restore financial order in our own home.

We, who had left Europe in the course of the last three centuries to better our condition, were the happiest people in the world up to the very day when we returned to Europe. Perhaps, after all, are we still among the happiest people on earth, by comparison, and because we have courage and unbounded faith in our future. But this formidable upheaval which has so profoundly shaken our economic structure, makes us quite chary in assuming any new obligation which would have for its effect, sooner or later, the possibility of being compelled to again return to Europe.

Why Canada Gets Angry

When we look at our pre-war expenditure for defence or war, 12 millions which has grown to 144 millions, we become somewhat impatient at comparisons which are made between our present per capita expenditure and that of other sister nations. The old adage that "interest is the measure of men's actions" is still the rule which governs mankind. Rightly or wrongly, most Canadians have not the feeling that they are threatened. They consent to be taxed heavily for what they conceive to be pressing needs, but they think in terms of peace.

When their government asked His Majesty the King to delegate a Canadian to sign a treaty affecting Canada alone, at Washington, a London newspaper made this amusing remark: "Canada wants to sign alone her treaties, but she has no army nor navy to defend them." The writer was thinking as would a European in terms of force. It never occurred to Canadians that a treaty needed an army behind it. They have been free from fear. They have never felt that they needed protection.

They rather believe that they have been a protecting nation. Their history has created that conviction in their mind. The conflicts of 1775, of 1812, of 1899 and again of 1914, were not of Canadian origin. It has been well said that Canada is a producer of security, not a consumer. Never has it raised a finger calling for help.

Objects to Being Called "Sponges"

Canadians dislike the coaxing, the manoeuvring, which is constantly going on, to draw her into larger defence expenditure when she has, financially speaking, through her last European adventure, water to her lips. You will quite realize her state of mind when she is told in the press, in some form or other, that she is sponging on others for defence.

In 1921, when the Washington Conference was coming to an end, Lord Lee of Fareham came to Montreal, and publicly urged Canada to assume a share of Imperial naval defence. The Conference had already decided to make an all-round reduction in armaments. If the occasion had offered, I would have made bold to discuss with the noble Lord the wisdom of his returning to Washington to press for another 50 per cent. all-round reduction in order to further lighten his burden. Other missionaries on the same errand have been heard. When we are asked, in cold blood, to assume definite obligations, our reason directs our judgment. We are apt to be more responsive when, in times of stress, an appeal is made to our sentiments.

Canadians are among those who believe that the only way for the world to recuperate its losses and save itself from bankruptcy is in the reduction of its military and naval establishments. We have pinned our faith on the influence and action of the League of Nations, which is soon to grapple with the problem of the reduction of armaments on land and on sea. Let us pray that it may succeed. We have faith in the League of Nations, which brings together regularly, at fixed dates, most of the nations of the earth. It is quite noticeable that in those gatherings there is a most sincere desire for co-operation.

I am profoundly interested in the words of the council, which meets at least four times a year, and which has, in its midst, the Great Powers. It is the Great Powers which are most to be feared, because of their might. When they clash, the whole world is affected by the cataclysm. As the Great Powers meet in the Council with the primary object of maintaining peace throughout the world, their function will be to preach compromise and arbitration to the small nations. My hope is that, as they repeatedly lay down the rules and principles for the peaceful settlement of differences between the secondary or small nations, they will become prisoners of their own doctrine and will be thus brought to apply it to themselves.

Friendship of Britain and France

Pending this evolution, we feel, in Canada, that the peace of Europe is assured if the two great neighbouring countries, who stood side by side during the recent hurricane, Great Britain and France, work harmoniously together, and we are grateful to the Baldwin Government for consistently pursuing that policy. Those two great leading countries owe that example to the world.

The British Empire, as presently constituted, will endure, if a sentiment of perfect equality between its members is felt throughout its component parts. Mr. Amery lately remarked, quite aptly, that a country like Canada, with a population larger than most of the secondary powers of the world, can well claim to play a role in the Comity of Nations. Sir John A. MacDonald wanted, in 1867, for our new Confederation the name and title of the Kingdom of Canada, so as to clearly establish that we were no more a dependency. He failed to get that outward sign, but he was granted the substance. Under our Magna Charta, we have developed normally into nationhood.

Not Subject of Subjects

The Canadian people would deem it intolerable to be considered, in any particular, the subjects of the King's subjects. They know full well that the British statesmen have completely recognized this principle of equality, but perhaps the bureaucracy, which is reputed to be, intellectually, an aristocracy, still feels that there are things which it can accomplish more efficiently than ourselves. In our history, we have occasion to meet such a situation and bureaucracy had to resign itself, with good grace, to the inevitable. I was reading lately that Her Majesty, Queen Victoria, under whose reign it was my privilege to grow up, was reminded by her son, the Prince of Wales, in a most respectful tone, in answer to her advice concerning attendance at horse races, that he had grown to manhood and was 28 years of age. Canadians, whose leaders have all passed the meridian of life, are inclined to smile when they think that they can discern some hidden thought of patronising tutelage. There is no looking backwards. Under the same Crown, side by side, abreast, not in tow, we shall perpetuate this Mighty Empire in a spirit of moderation and of goodwill towards all.

"Demob" the Correspondents

I crave your indulgence to add one word concerning a most vexing subject, which represents a very perturbing element and is a threat to the peace of the world. When the Armistice was declared, and later on when peace treaties were signed, the signatories to those conventions forgot to demobilize the war correspondents. The result is that, under another name, as "foreign correspondents," they have remained on the war path, and although the League of Nations has agreed upon a protocol which eliminates the use of poison gases, the foreign correspondents continue to poison public opinion every morning by raising suspicions, rivalries and hatred between the peoples. They daily pretend to have discovered some plotting between some groups of nations against another group. It seems that they cannot live except by fishing in troubled waters and they keep stirring the pond. They feel that they soon would lose their raison d'etre if they simply cabled to their newspapers that "all's well in Europe."

One of the foremost papers in Canada "The Montreal Gazette" on the 18th of February last, expressed the general view when it wrote that the foreign correspondents were resuming their favorite pastime of blowing on the embers of European hatred. This nefarious work cannot be too strongly condemned. It must have a most damaging effect on the general public of the United States, if they only believe one-tenth of the fantastic stories they read of European discords and plotting.

I have now been at three Assemblies of the League. I have met intimately most of the leaders of the various countries and in spite of the war correspondents, I have enough confidence in the men of goodwill, in each country, to report that notwithstanding a certain degree of nervousness which is quite natural following such a clash, all's well in Europe.

Communists Seek to Educate Farmers to Tax Evasion Scheme

Propaganda Branding the Money-lenders as Monsters Finding Favor

WINNIPEG.—The Manitoba Free Press has the following special:

Having decided to undertake the task of converting Western Canadian farmers to Communism, the next step was to think out the arguments which would have the greatest appeal.

There has been great unanimity among Communist leaders in this matter, and the propaganda sent out through various publications all stresses the one point—namely, the heavy burden of mortgage debts and the necessity of the farmer repudiating them. The Communists have never for a moment recognized the fact that the farmer undertook to repay the money when he borrowed it; nor have they ever recognized that the lender is entitled to the slightest consideration.

On the contrary, they have represented the lenders as leeches, octopi, bloated coupon clippers, and so on. In their opinion the lenders have no right whatsoever to expect repayment and, if the Communist revolution succeeds, they are to be given short shrift indeed. Therefore, all the farmers reached by their propaganda, and there must be thousands of them, are gradually being educated to believe in and work for a commonwealth of the proletariat. Until that day arrives, they are being advised how best they can escape the debt obligations they have undertaken.

Danylo Ploojak, who is one of the leaders in the campaign among the farmers, is advocating a method of debt evasion which has gained considerable favor.

Here is his advice: "What is to be done in order to get rid of the present mortgage debts which are shackling the farmers?

"My answer is: First of all, get organized; then come to an understanding; and then act. How to act?

"On one appointed day all of those farmers who are in debt must make an assignment. I mean that they must become bankrupt, but must do so of their own volition and must not be brought into court on an accusation of insolvency by their creditors. They must voluntarily resign their lands to the mortgage companies for the debts they owe. Having done this, all of them must remain calm and stay on their farms, seeding only sufficient land to keep them alive.

"In this way the leeches will be repossessed of all their lands and will be forced to pay the taxes, to keep up the roads and to discharge other obligations. Never fear, the leeches will not be able to drive you off your farms for the simple reason that the government would not permit them to do so. We have seen that in Smokey Lake, Alta., the municipality sold more than 20 farms for taxes and immediately the newspapers made such a yell that the Alberta government, through the courts, has forbidden the sale of farms. Yet this case concerned only 20 farmers. If 20,000 farmers or 100,000 farmers would do likewise, it would make such a stir even in the bourgeoise press that within 24 hours the whole world would know about it.

"There is no mortgage company in existence that would dare to play with 100,000 well organized farmers. It is an army.

"It must be understood that the parasite class, no matter how much it might desire to do so, will never attempt to drive such a great number of farmers off their farms, because the country could not feed them and because it would be a very dangerous, a very, very dangerous undertaking."

Fire Prevention is Topic for Ottawa Conference

Joint convention of Association of Canadian Fire Marshals and Dominion Fire Prevention Association will be held in Ottawa next week. Fire marshals meet on Wednesday and will hear addresses from Hon. Chester E. Johnson, president Fire Marshal's Association of North America and fire marshal of Alabama; from Franklin H. Wentworth, secretary National Fire Prevention Association, Boston, and from various Canadian fire marshals.

Fire Prevention Association meets Thursday and Friday and will hear addresses from nearly two score individuals interested in various phases of fire prevention work. Sir George E. Foster, president of the association will preside.

Sterling Appraisal Co. Gets Big Job in Detroit

The Sterling Appraisal Company, of Toronto, has been employed by Parke, Davis & Company to revalue the Detroit laboratory and equipment, a technical task that will engage a corps of Canadian engineers for several months and involve an expenditure of several thousands of dollars. The Parke, Davis bulletin comments that the engagement of a Canadian organization to perform such an assignment in the United States is an indication of the existing appreciation by the company of the talent available in Canada; it also demonstrates the broadmindedness and international view taken by the management of the Parke, Davis & Company, in the conduct of the company's affairs.

This important appraisal will be in charge of F. D. Ellis, B.A.Sc., and C. O. Maddock, B.A.,Sc., graduate engineers on the staff of the Sterling Company.

Don Rouyn Discoveries
Write for latest information
St. Lawrence Finance Corp.
14 Hospital Street Montreal

Specialists in Quebec's Mining Stocks
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Dr. Robert Harvie, late of the Geological Survey of Canada

an organization combining accepted geological skill and the utmost fair dealing, devoted to the exploration and sale of mining properties.

Correspondence Invited

707 Canada Cement Building
MONTREAL

Why Was Dandurand's Warning on War Propaganda Not Cabled?

It now appears that the cables overlooked — perhaps intentionally omitted—the most important part of Senator Dandurand's speech at the Canada Club in London. His criticism of the "war" correspondents was a minor incident in a very important, carefully worded, perhaps inspired, warning to the battleship trust to stop their Navy League and other forms of propaganda in Canada.

In criticising the "foreign correspondents," for misrepresenting the League of Nations, the senator is voicing the French view for which, from long association, he is more in sympathy than with the British, or American or Canadian. France is a democracy in name only. Its government is the most autocratic of any civilized country. The French press, as a whole, finds it advantageous to print only what the French government wants published. It is not profitable or comfortable for papers that refuse. As the correspondents, chiefly American, refuse to accept dictation, they are a thorn in the side of the French and other league enthusiasts, idealists and international schemers. Failing to control them, the French politicians have sought to weaken the correspondents by making the charges which our own Senator now echoes—that these correspondents are intentionally spreading false information.

Warning Most Timely

The subject of the Senator's London talk was Canada in its relations with the Empire, and he spoke very frankly. Many strong Imperialists and other Canadians, who are not friendly to some of the senator's peace and pro-France policies, are in accord with him and think his warning most timely. He pointed out how seriously the war had affected Canada and the tremendous taxation burdens the country was still bearing, but Canada was not complaining, and he said:

"Never has it raised a finger calling for help. Canadians dislike the coaxing, the manoeuvring, which is constantly going on to draw her into larger defence expenditure when she has, financially speaking, through her last European adventure, water to her lips.

"You will quite realize her state of mind when she is told in the Press, in some form or other, that she is sponging on others for defence."

And much more to that effect.

Gun Profits for War Talk

Senator Dandurand has no doubt learned in Europe that the same group of men control important, and in most cases the most important gun, munitions and battleship building plants in England, France, Germany, Austria, Czecho-Slovakia and Russia, and that to-day, as before the war, the way they adopt to make profits is to stir up propaganda for more ships and guns through Navy Leagues, disguised in appeals to charity on behalf of suffering sailors and their families and by waving the flags of loyalty and patriotism. Moreover they make the people they are exploiting pay the costs of exploitation by charity collections.

Laurier complained of the demands for naval contributions at Imperial Conferences, Meighen found the same situation, and when he frankly resented it, he was accused of being anti-British. They tried to tie up Mackenzie King. It is now said that Canada will not be represented at the October conference because there are influences at work to exploit, not to build, the Empire, and that Senator Dandurand's speech had this in mind and was made under instructions from Mr. King and certain very influential Canadian Liberals.

The senator mentioned as a most extraordinary proceeding that just as the Washington Disarmament Conference had decided on an all-round reduction and was concluding, Lord Lee came to Canada to urge contributions to building battleships in England. This has since been followed by the intensive organization of Canadians into a Navy League. It was generally understood that this league's objects were charitable—to aid particularly the civilian seamen and their families who had suffered in the war; to aid sailors in distress; to maintain sailors' homes and for Boys' Naval Brigades. Leading citizens and patriotic organizations gladly supported this good work and business and financial institutions made generous contributions. Among the great mass of Canadians who were giving cordial co-operation, there was no suspicion that the real object of some of the promoters and men pulling wires in the back ground of the Navy League was to create the impression on our government that the people across Canada were demanding naval appropriations. The president, Sam Harris, told a gathering of Winnipeg loyalists that, as the Manitoba Free Press pointed out, the real objective of the League was to secure annual contributions for battleship building which he said should be based on 2 per cent. on our foreign trade and which would begin with $30.000,000 annually. Since then the Navy League in Canada has been looked upon with some mistrust and the question is being asked why the charitable end of the work which has the entire support of every good Canadian had not been and could now be combined with the Red Cross and other soldiers' aid organizations.

Grants to build ships in England would mean more taxes on Canadian businessmen and workmen already paying from 20 to 25 per cent. of their incomes in this way.

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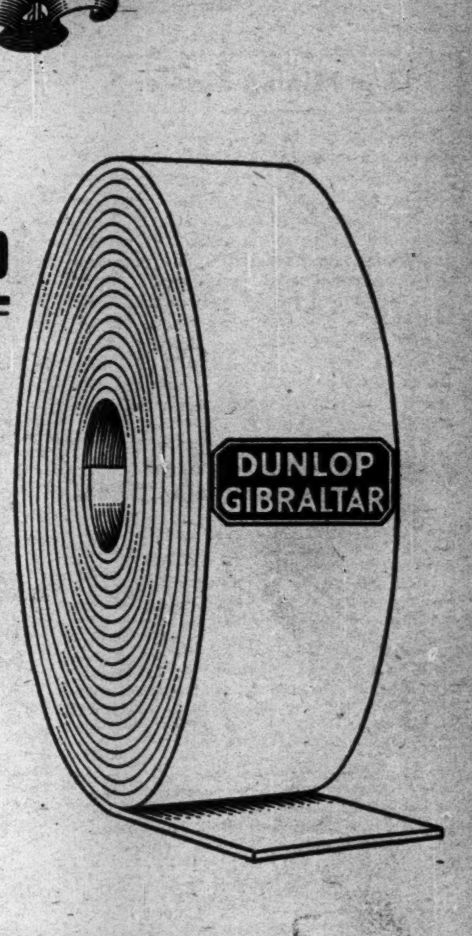

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News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

STABLE LAWS FOR THE DEVELOPMENT OF OUR MINERALS

Bateman Advises Manitoba to Follow the Example of Ontario

WINNIPEG.—"When a new land is ready for occupation, nature beckons with a finger dipped in gold," quoted G. C. Bateman, of Toronto, secretary of the Ontario Mining association who was the speaker at the annual meeting of the Winnipeg Board of Trade Mining Bureau.

Capital was, of course, one of the great factors in realizing the mineral wealth of the country, he said, and capital was needed. Another requirement was stability—stability in laws, taxes and working conditions. "In Manitoba you are just beginning to emerge into the period of development. Now is the time to prepare for this essential stability." He suggested that Manitoba follow Ontario in mining laws. While he realized that the province was in a peculiar position at present, he hoped that the time would come when Manitoba would have control of its own resources.

Development in Ontario

Less than 20 years ago, said Mr. Bateman, Northern Ontario was a wilderness; now it is the centre of a great industry. Last year the metal mines of the north paid out for wages, supplies and service $45,000,000, as well as $12,000,000 in dividends. So wide was the distribution of the money that there was no business, trade or profession that did not get its share. He referred to the vast pre-Cambrian area of Canada and then concentrated on Ontario. Within a radius of 75 miles the great producing camps had brougth out $900,000,000, and it was safe to say that in the future they would produce many times that amount. In the Sudbury district, which suffered when the war ceased, production was again increasing with the discovery of new uses for nickel, and in a short time, he was sure, it would reach the highest war-time peak. The ore reserves would last from 100 to 150 years. Their gross value was equal to Canada's national debt. Lead-zinc which had been lying dormant in the Sudbury region for years, now looked like another big industry. The decline in silver production was arrested last year, and in value exceeded 1924 by $1,000,000. New mines were being opened. Mention was made of the "spectacular" Cobalt mine and of the gold camps in the Kirkland and Porcupine belts. So rapidly was Kirkland growing, he said, that in two years its output would be 100 per cent higher than in 1925. Last year, the Porcupine, which was virgin forest 16 years ago, had produced $25,000,000, and he was confident that in three years it would be $35,000,000.

Great Discoveries

Tremendous discoveries had yet to be made, and prospectors were going farther afield. Thousands of square miles of territory still unvisited by white men were believed to be one of the nation's greatest assets in mineral wealth. In the Flin Flon of Manitoba there was $200,000,000 worth of recoverable metal known. Red Lake appeared to have all the earmarks of a real camp, and it would result in opening up hundreds of square miles of territory that might have lain dormant for years. The value of the mining industry. Mr. Bateman maintained, was much greater than the value of the actual production. Its contribution to national development, by opening up the country and encouraging, even compelling, agriculture and other industries, was incalculable.

The Mining Market

Apart from some indications of strength in special stocks the trend of the mining market has been to lower levels, although there has been no general liquidation and losses have not been very important. Noranda has continued strong and has retained the gain recorded a week ago. Dome has performed fairly well but has not held up to the point of recovery recorded at last report. Beaver, Gold Hill, Conarium, Kirkland Lake and Boulamaque, have been among the small number of stocks showing fair gains.

Alberta Oil Saps Interest in British Columbia Mines

VANCOUVER.—General market conditions are particularly satisfactory as far as the stability of prices is concerned. On the other hand slackness in orders is noted at the present time in British Columbia mining shares, possibly owing to the great interest being taken in the Alberta oil stocks, in the opinion of R. P. Clark & Co. It would seem to be the opportune time to purchase mining shares while the market is quiet, as there is no doubt that development work on the different properties during the summer months will materially improve the value of many of these shares, says this company's Market Review.

The Portland Canal district is receiving a great deal of attention at the present time, particularly the Salmon River area. This is largely due to the success of Premier, the proving of great ore bodies on the B. C. Silver, financing of the Big Missouri by American interests, new financial arrangements for the Forty-Nine, and the discoveries now being made on Silver Crest. Further important discoveries are expected when National Silver is opened up; all these properties appearing to have similar character of ore and the same exceptional chance of great profits as the Premier Gold Mining Co., which is so well known throughout the province.

New Process Gives Value to Flin Flon

Painstaking research by Melville F. Coolbaugh, president of the Colorado School of Mines, has made possible the immediate development of the Flin Flon copper-gold-zinc property of northern Manitoba, according to Barron's, which publishes an article on the recent advances made in the treating of complex ores such as are found at the Flin Flon. The process invented by this metallurgist is known as the Coolbaugh process, and control of it now rests with the Metals Exploration Company, largely owned by Harry Payne Whitney, of New York, who, with the Mining Corporation of Canada, is the owner of the great $200,000,000 Manitoba property.

Zinc Was Difficulty

Owing to the presence of zinc, according to J. P. Watson, president of the Mining Corporation, many rich ore bodies have been left undeveloped, for it is only lately that "complex ores"—that is ores containing a proportion of zinc—have yielded themselves economically to smelting. High prices for zinc of late years have brought to the fore two new processes, oil flotation and the Coolbaugh process, and it is the latter which will be used in the big Manitoba property.

The first installation of the Coolbaugh process was made three years ago at the Durango smelter, of the American Smelting & Refining Company, and there the mechanical and metallurgical problems were ironed out and the field for the process determined.

Formerly it would have been impossible to extract the zinc from the Flin Flon ore without losing all other values, or to get out the copper without losing the valuable copper and gold. Now, however, these difficulties are overcome.

Orderly Rush to the Cassiar

From Our Own Correspondent

TELEGRAPH CREEK, B.C.—The gold rush to the Cassiar this year is not a stampede, but an orderly procession. The herd instinct, with its attendant excitement, is lacking. In other words, it is a calm, business-like rush and the sourdough, the practical mining men who will stand a much better chance of developing the field than anyone else, outnumber the tenderfoot ten to one.

Everyone passing through this outpost on the way to the gold creeks of Dease Lake and the adjacent territory, which was the scene of frenzied activity last spring, has a definite objective and is planning to go directly there and start to work. The prospectors realize that it is a big field with plenty of ground for everybody; so they're in no great hurry. And their desire to land with sufficient outfit for an entire season's prospecting has also served to slow up the movement.

But hundreds of miners will be in the Cassiar this summer. A hundred or more have already gone in over the snow trail without waiting for the thaw. The congestion is beginning to be felt here again and men are finding it difficult to obtain accommodation on the vessels plying the Stikine River, which runs from here into the Cassiar.

Dease Lake is frozen to a good depth and supplies are now being moved in with caterpillar tractors; but there has been comparatively little snow and freighting to the mines has been handicapped on that account.

Dolly Varden Mine is To Be Re-opened

VANCOUVER.—Reports from Alice Arm are to the effect that the Dolly Varden mine, famous in its day for the production of silver, is to be opened up again and operated. It is understood that a bond has been secured by Vancouver interests from George Wingfield, who now holds control, and the property will be thoroughly prospected with diamond drills and development work continued where it was shut down some years ago.

IS A BLACK EYE FOR CANADIAN MINING ABROAD

Fake Agents Selling Shares of Ottawa Company in London

OTTAWA.—That the English public are being treated to some of the old-time fake stock selling game has been brought to the attention of the president of the British, Canada North Exploration and Development Co., with head offices in Ottawa. A. P. Butler, president of the company, in an interview with the Citizen, unfolded a swindle story from London, Eng., that has apparently reached more or less serious proportions.

It appears that certain parties who have left Canada or the United States for the Old Country are purporting to be agents for a London firm, who, they state are handling vendor's shares of the company referred to, and "taking in" a number of English investors with the scheme. They have painted in glowing terms the development that is being undertaken at the mine and are offering the stock at three dollars the share. The real London agents of the British, Canada North Exploration Co., having learned of the matter, communicated with Mr. Butler here, as did also London shareholders in the mine. Mr. Butler explains that the British, Canada North Exploration and Development Company have no shares for sale, as all the stock of the company is fully paid up and issued, and that the London firm were handling vendor's stock on a fifty-fifty basis of net proceeds, to go towards mine development. This was done in order that capital would not have to be raised and to finance the company, as suggested by its engineer. Mr. Butler also stated that at present the mine was not working and had no stock in its treasury.

As far as could be learned from London, the fake selling has been in progress since March 30 of this year.

There are some 65 Ottawa shareholders in the company, representing approximately 200,000 shares. The mine is situated in the Gillies Limit district, about six miles south of the Cobalt silver camp.

Red Lake Development Means New Mining Towns

HUDSON.—Hudson is now becoming a real live town. The townsite only opened a short time ago, but the most wonderful changes have taken place. The Imperial Bank and the Bank of Toronto have both opened branches. A real up-to-date restaurant is now being operated by two Toronto boys and first class sleeping accommodation is obtainable. Transportation to Red Lake now can be made by motor car. B. F. Moberly is operating a seven-hour Ford truck service to Pine Ridge, connecting up with horse transportation there. There is also transportation from Hudson right through to Red Lake and boats should shortly be making regular trips.

Old Huronian Mine is to be Worked After 40 Years

PORT ARTHUR.—The Shields Improvement Co., of Montreal, has commenced work in connection with the re-operation of the old Huronian mine near Kashabowie. Two cars of machinery and effects were unloaded recently, augmenting other material received about a week ago. Construction of buildings for the men will commence immediately. J. Harkness, mining engineer is in charge of operations for the Montreal company. Thirteen claims in the field have been staked and it is probable many more will be registered when working conditions are satisfactory. The Huronian mine was a first-class gold property 40 years ago, but operations were discontinued owing to transportation difficulties.

Gold Output of Porcupine Sets High Record in March

Returns received by the Ontario Department of Mines from the gold mines of Ontario for March show increases in output at both Porcupine and Kirkland Lake. In the former camp the total value of bullion recovered was greater than in any previous month. At Kirkland Lake, while the tonnage of ore treated was greater than in any monthly period heretofore, the value of the gold recovered was slightly less than in January of this year, which was the peak month to date for this area.

The table below, in addition to the monthly figures for January, February and March, gives revised figures for 1925. Slight fluctuations in monthly output are due in part to the changes and rearrangements both in mining and milling by several of the companies in reporting their operations, and also to the nature of the monthly returns, some of which are in the form of estimates.

Output of Ontario Gold Mines, 1925 and 1926

Source and Period.	Ore Milled tons	*Total Value Crude Bullion
Porcupine—		
Calendar year 1925	3,016,178	$24,887,507
Average per month	251,348	2,073,959
January, 1926	269,325	1,946,563
February, 1926	242,510	1,980,919
March, 1926	268,545	2,353,829
Kirkland Lake—		
Calendar year 1925	378,727	5,404,652
Average per month	31,561	450,388
January, 1926	34,167	575,128
February, 1926	33,718	506,739
March, 1926	39,927	513,617
Miscellaneous—		
Calendar year 1925	131	5,398
Total for calendar year 1925	3,395,036	30,297,557
Average per month	282,920	2,524,796
Total for January, 1926	303,492	2,521,691
Total for February, 1926	276,228	2,487,658
Total for March, 1926	308,472	2,867,446

*This total includes the silver contained in the crude gold bullion marketed. For 1925 the value of silver was $172,430, or an average of $14,369 per month.

During March producing mines in order of output were as follows: Porcupine (6)—Hollinger, Dome, McIntyre, Vipond, West Dome Lake and Night Hawk Peninsular. Kirkland Lake (6)—Wright-Hargreaves, Lake Shore, Teck-Hughes, Tough-Oakes-Burnside, Argonaut and Barry Hollinger.

The larger mines commenced in December, 1925, to ship crude bullion in volume to the Royal Mint, Ottawa, as indicated by the following table. Formerly the bulk of the bullion was consigned to branches of the United States Mint.

Receipts of Crude Gold Bullion From Ontario at the Royal Mint.

Period	Crude gold oz.	Precious Metal Content: Fine gold oz.	Fine silver oz.	Total value
Calendar year 1925	139,130	105,890	19,130	2,202,021
January, 1926	129,362	102,811	17,352	2,137,038
February, 1926	126,550	106,282	16,864	2,084,172
March, 1926	137,784	111,966	19,037	2,314,829

RICH DISCOVERIES MADE AT GOLD HILL

Main Vein is Showing High Values and Stock Advances on Market as a Result

News of rich discoveries on the Gold Hill property has been accompanied by a sharp advance in the price of the stock this week. Since the new plant was installed in February steady progress has been made in shaft sinking and on Saturday after 24 feet of cross-cutting from the 500-foot level the main vein was cut with a width of six feet and assays running from $80 to $26. The following statement has been issued by the president, D. H. Angus, following the results of the assays:

"On Saturday, April 17, at the Gold Hill Mine, after 24 feet of cross-cutting from the shaft at the 500-foot level, we cut the main vein, known as No. 1 vein. This vein has widened to approximately six feet, as compared with a width of between four and five feet at the 400-foot level and about two feet at the 300-foot level.

"Samples taken across 47 inches in the roof of the cross-cut give assays averaging $26.50 at the Temiskaming Testing Laboratory, while from the floor we secured samples over a high grade streak of 18 inches, which average $80.50 per ton in gold. These assays were also made at the government laboratory.

"This would indicate that our ore is consistently widening as we go deeper and running even richer than in the upper levels. At the 300-foot level a car of mill run ore assayed $20.45 per ton and at the 400-foot level the vein is running between four and five feet wide and averaging about $30 per ton. We are undoubtedly encountering the enrichment and widening that is characteristic of the Kirkland Lake Mines, and we may look forward with confidence to the development at greater depth. When we consider our results in ore from surface to 500 feet, and that we have had high grade, even while narrow, that would more than pay its way in almost every foot of work; also the fact that the break has now been traced for two miles through Gold Hill and the Hilltop porperties, the outlook is distinctly encouraging."

Smaller Earnings for Dome for First Quarter

Enclosed with the dividend check of Dome Mines is the usual approximate statement for the three months' quarter. This statement covers the quarter ending March 31, 1926, the first quarter of the present year.

Comparative statements are as follows:

	To March 31 1926	To March 31, 1925
Total recovery..	$1,024,094	$1,053,630
Taxes, operating and genl. exp...	638,438	552,976
Balance	$ 386,656	$ 500,654
Misc. earnings	43,556	44,011
Earnings before depr	$ 429,212	$ 544,666

MINING STOCK QUOTATIONS

Week Ending April 20

	High for week	Low for week	Close Apr. 20	Close Apr. 13	Sales for week
Amulet	1.10	1.05	1.06	1.08	13300
Apex	3¾	2½	3½	3¾	6600
Area	30	25	25	27	2025
Argo. Cons.	30	26½	28½	30¾	46350
Atlas	3½	3	3½	3	4000
Baldwin	2	1½	1¾	2	121950
Barry Hol.	39	36	36	39¼	91550
Beaver	82½	74	78	75	112650
Bidgood	7	6	6½	6½	7500
Boston Creek	4	3	4	4½	1500
Buckingham	3¼	3¼	3¼	3¼	4500
Can. Lorrain	85	82	82	85½	31500
Capitol	40	35½	37	40	60800
Castle Tre.	1.56	1.50	1.51	1.56	42475
Chaput H.	13	11½	13	13	7000
Colery G.	8	8	8	..	800
Boulamaque	9.50	9.40	9.50	9.40	10795
Clifton	2½	2	2	2½	9000
Coniagas	4.05	3.75	3.75	4.00	360
Coniarum	3.80	3.50	3.80	3.50	852
Col. Kirkland	4¾	4	4	4⅝	51000
Cons. Smelt.	209⅞	191	197½	209	23987
C. W. Dome	20½	18	18	20	117900
Crown Res.	16¼	13	14	16	74400
Davidson C.	2¾	2¼	2¼	2¾	10000
Dome Mines	14.25	13.10	13.95	14.55	24865
Everett	8½	7	8	8	26500
Gold Hill	38	26	38	30	50150
Goldale	29	28½	28½	28	11500
Gold Reef	2½	2	2¼	2½	32500
Gladstone	35	32	35	37	1400
Don Rouyn	40	35	36	36	14650
Hollinger	18.30	18.00	18.00	18.30	2235
Indian	10	8½	10	9	35000
Kirk. Hunton	28½	25½	26	28	16850
Int. Nic., com.	35⅛	34	34⅛	34¾	2358
Keeley	1.67	1.61	1.64	1.64	67710
Keora	11¼	10	11¼	10½	77500
Kirk. Lake	1.26	1.12	1.19	1.15	136425
Lakeside	1¾	1⅛	1⅛	2	15100
Lake Shore	10.30	9.95	10.25	10.25	5435
La Rose	16½	12	13	16	20000
Lorrain	6½	5¾	6	6¼	29100
Laval	31	27	29	29¾	23650
McKinley	17¼	16	17¼	16½	35000
McIntyre	25.00	24.50	24.90	25.00	6665
Millcrest	17½	15½	15¾	17	41000
Min. Corp.	3.75	3.45	3.61	3.60	13885
Moneta	12½	12½	12½	12	1000
Newray	37½	35½	36¾	38	10000
Nipissing	6.10	5.80	5.80	6.00	1355
Night Hawk	6¼	6	6	6½	10625
Noranda	16.00	14.90	15.60	15.65	30129
Peter. Lake	2½	2¼	2¼	3	21500
Porc. Crown	8	5	8	9½	15000
Premier Gold	2.27	2.20	2.20	2.25	11875
Preston	5¾	4½	5¾	6	34000
Teck-Hughes	3.27	3.18	3.24	3.26	88812
Thomp. Krist.	3	2	2½	2	12500
Timiskaming	12½	12	12	13	4000
Tough-Oakes	45	36	42	42	115900
Victory Silver	7½	6	6	7	29500
Vipond Cons.	1.69	1.59	1.60	1.70	55730
Wasapika	3	2	3	2½	14500
West Tree	2⅞	2¾	2⅞	2¾	8000
Wettlaufer	6¼	5½	6	5	13300
Wr.-Harg.	7.85	7.75	7.77	790	3959
Ophir	2	2	2	2½	5500
Vickers	45	45	45	45	1500
Rouyn	4¾	4½	4½	4½	50800
Rouyn, Que.	2½	2¼	2¼	3	7500
Wigwam	20	16	19	20	8550

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SMELTERS WILL MAKE FERTILIZER FOR THE PRAIRIES

To Develop Large Deposits of Phosphate in Kootenay

From Our Own Correspondent

VANCOUVER.—Phosphates to fertilize the wheat fields of the prairies will soon be produced in large quantities in British Columbia if plans now being considered by the Consolidated Mining & Smelting Co. are carried to fruition.

Large deposits of phosphate have been discovered in recent years in the Kootenay districts of British Columbia and as a result of legislation passed at the last session of the legislature it is possible for large concerns or prospectors ready to go ahead with development work to stake out claims one square mile in extent. Previous to that it was not possible for claims larger than a few acres to be staked out and under such conditions profitable operations were said to be out of the question.

Successful operation of the industry would require a large capital outlay and it is believed that only a few of the existing mining corporations operating in Western Canada would be in a position to adopt the project. Sulphuric acid is used very largely in the manufacture of phosphate fertilizer and at present it is a waste product at the Trail smelter of the Consolidated Mining & Smelter Co. The company sees an opportunity of using the new phosphate deposits with the sulphuric acid by-products for the manufacture of fertilizer on a large and profitable scale.

Canada has to import phosphates at present. The product is brought in from the United States in largest quantity, especially from Florida, Tennessee, Kansas, Wyoming and Montana. The world demand for phosphates is increasing steadily, and in every civilized country efforts are being made to discount the needs of the future.

In Canada this problem will present itself for solution within a few years, Mr. Sloan believes. The agricultural production of the middle west is the backbone of the Dominion, but the lands cannot continue to yield without the necessary chemical elements being returned to them. Where wheat is so largely grown phosphate fertilizer is imperative, and Mr. Sloan pictures the happy position British Columbia will be in, situated next door to the prairies, if it were that from her minerals she could supply the fertilizer most required for the maintenance of the productivity of the Empire's granary.

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News of the Mines

NIPISSING HAD LESS FAVORABLE OPERATING YEAR

Directors Sound Note of Caution Regarding Future Production

The twenty-first annual report of Nipissing Mines Co., for 1925, discloses less satisfactory operating results, largely because the ore mined and milled contained on the average over 10 ounces less silver per ton than in 1924. The average silver content per ton of ore milled was 25.78 ounces as against 36.36 ounces in 1924. Net income of the operating company was $658,384, as compared with $1,116,413 for the previous year. To this sum the surplus forward of $4,501,233 is added. After dividends, amounting to $755,000, the net surplus remains at $4,404,617.

General Manager Hugh Park, presents a comprehensive summary of the year's operations. Production of silver for the year was 2,212,000 ounces, about 800,000 less than in 1924. Due to the decrease in ounces produced and to the increase in amount of underground work, the cost per ounce was 46 cents, up 9 cents from the previous year. The cost per ton of ore was $11.14, a decrease of $1.88.

Shipments of Nipissing silver contained 2,414,000 fine ounces. The average New York official price for the year was 69.07 cents per ounce, an increase of 2.29 cents over 1924. Quotations were fairly steady, the high and low daily variation being 6⅝ cents for the entire year.

Notwithstanding a general increase in the amount of underground work, no substantial discoveries of new veins were made during the year. However, the possibilities of the lower diabase-contact have only been partly determined. Results obtained to date from recent exploration of this horizon, of which there are several hundred acres, can be considered as interesting, but not thus far important from the viewpoint of steady and profitable production. Closer exploration of the sediments resulted in the discovery of a number of veins of minor importance.

Known ore reserves at the end of the year were 34,028 tons containing 1,006,344 ounces, of which 60 per cent. were unbroken. The tons show no material decrease from the previous year; the ounces are 500,000 less. In the absence of important new discoveries during 1926, a similar comparison a year hence is improbable.

President E. P. Earle sounded a note of caution regarding prospects:

"Directors again call attention to the fact that your properties have been in continuous operation since 1905 and have produced more than 74,000,000 ounces of fine silver. Shareholders should realize that the properties cannot be expected to continue operating profitably unless new ore bodies are discovered in the territory now being mined and prospected, or in new properties that may be hereafter acquired. Your board and general manager are continually searching for promising properties, and at present have two or more under consideration that may prove of value."

PRODUCTION FIGURES

A comparative table of production in the past two years follows:

	Gross Value 1925	Gross Value 1924
Shipments	$1,698,025	$1,923,171
On hand	1,005,225	1,092,400
Totals	$2,703,250	$3,015,571
†On hand Dec. 1924	1,106,484	895,604
Totals	$1,596,766	$2,119,967
Adjustments of 1924 shipments	—728	....
Nipissing production	$1596,038	$2,119,967

†Adjusted inventory.

Following is a comparative statement of assets and liabilities:

—Assets—	1925	1924
Plant and prop., less depr. reserve	$ 250,000	$ 250,401
Curr. assets	2,389,307	2,169,836
Bonds and other pros.	2,426,930	2,641,470
Totals	$5,066,237	$5,361,707
—Liabilities—		
Cap. stock	$ 250,000	$ 250,000
Current	411,619	610,474
Earned surplus	4,404,617	4,501,233
Totals	$5,066,236	$5,361,707

There was disbursed to stockholders during the year $720,000 (which includes the dividend declared in December.) To the end of 1925 stockholders have received a total of $27,600,000.

Empire Mining Congress To Be Held in Canada 1927

The second Empire Congress of Metallurgical institutions which promises to be one of the largest and most important conventions of its kind on the American continent will take place in Canada during the summer of 1927 if plans at present under discussion by the Canadian Institute of Mining and Metallurgy materialize. It is planned also to hold in Canada concurrently with the Empire Congress the annual meeting of the Iron and Steel Institute (of Great Britain). The tentative arrangements have been endorsed by the English organizations; many of the delegates who will attend are members of both the Congress and of the Iron and Steel Institute.

A committee of the Canadian Institute has been appointed for the purpose of organizing the machinery which will be necessary to carry out the extensive project and the personnel of this main committee is: chairman, Geo. C. Riley; vice-chairman, J. G. Ross; John A. Dresser, N. R. Fisher, F. R. Weekes, A. M. Irvine and W. Brainerd, all of Montreal, R. A. Bryce, of Toronto, John L. Agnew, of Copper Cliff and Lewis Stockett, of Calgary. Mr. Brainerd was appointed treasurer and G. C. Mackenzie, general secretary of Canada.

Invitations to sister institutions in the United States will be issued by the main committee and it is expected that many of the men prominent in mining and metallurgy across the border will attend.

Much Interest Shown In North-Western Quebec

ROUYN. — Despite recent press concentration on newer camps, the belief in the future of Northwestern Quebec and its coming mines is so firmly imbedded in the minds of mining men of the north, that the general outlook is that this section of the country will witness this summer, an activity unprecedented during past few years and will be reminiscent of the stirring days of the Yukon rush and the Cobalt-Gowganda stampede. With railway and smelter construction and building activities in the several townsites and at the mines, there will be work for all classes.

Many exploration companies will have scattered groups of prospectors at work in the more distant areas, Nipissing, Hollinger, McIntyre, Coniagas, and the veteran Huronian Belt, are all giving especial attention to this feature of their activities.

NOVA SCOTIA HAS GOLD PROSPECT

Cheap Power and Proper Mining Laws Are Important Factors

HALIFAX.—J. C. Murray, of Kingston, Ont., who is in Nova Scotia investigating the possibilities of gold mining in this province and the development of mines, in an interview stated that goldmining in Nova Scotia would cost less than it ever could cost in Ontario, and that Nova Scotia's low grade ore is richer than in Ontario.

"Gold mining in Nova Scotia," according to Mr. Murray, who has many years' experience in mining, "has never had a chance, first, because of the mining laws which made the claims so small that it encouraged small individual operators who could not possibly make a success. Secondly, because of the lack of hydro electric power. Coal and cordwood are too costly as a source of power. Thirdly, gold mining practice was wasteful and utterly inefficient. In 1903, Cobalt was discovered, in 1904 Cobalt boomed, and in 1909 Porcupine was discovered. It was not until 1909 that we ever had any modern gold mining or milling methods. Since that time mining and milling methods have improved tremendously. Both of these camps drew hundreds of Nova Scotia miners, as they are recognized as the best workmen.

"Mining men are only now recognizing the real opportunity of gold mining in Nova Scotia. They are fully aware that hydro electric is a pre-requisite to successful mining and milling. Costs are lower in Nova Scotia than they can ever be in Ontario. The prime reasons for this are the unusual accessibility of the camps, the comparative ease with which ore is mined, and the very continuous and regular character of ore bodies themselves. To these causes may be added the exceedingly cheap hydro electric power.

MANY NEW WELLS ARE BEING SUNK

Number of Holes Being Drilled in South Alberta Oil Field Greatest in History

CALGARY.—At nine camps in the Turner Valley oil field, drilling crews are pounding down to the big pay. A greater number of holes is now being driven than at any time in the history of the field.

Drilling through the hardest formation yet struck in the log of the well, the crew at Vulcan No. 1 is making hole slowly at a depth of 4,440 feet. The well is being drilled in open hole and still has a slight showing of gas with considerable seepages of oil which are thought to be coming from the 3,500 foot level. It is stated that the bit is chewing through the very hard calcerous shales that overlie the dolomitic limestone. The Royalite No. 4 struck a naphtha gusher some 300 feet down in the limestone that has been named Royalite dolomite.

Royalite No. 5, the closest location to the famous No. 4, is being drilled with a rotary outfit and the last depth announced by the management was 3,037 feet. Near this hole Dalhousie No. 1, an old hole is being deepened. The crew at this location are drilling through old iron in the bottom of the hole at a depth of 3,530 feet. At Dalhousie No. 3, another old hole that is being deepened, the crew is underreaming at a depth of 3,250 feet.

After a delay of some weeks following the strike of a wet gas flow measuring some 1,500,000 cubic feet per day, McLeod No. 2 is again making hole and is reported to be down 3,380 feet.

Drilling in open hole and passing through a very hard formation the Illinois-Alberta well has encountered several flows of gas. The hole is now down 3,483 feet and is drilling.

Across the Sheep River from Royalite No. 3, the Great West drillers have struck a hard formation at 100 feet. The crew is making hole.

The Home Oil Company in the southern part of the Turner Valley "pink" is making hole after spudding in a few days ago.

Other companies in the field are in various stages of development, some of them with derricks erected and ready to spud in.

Up to date there has been no sign of lack of capital to allow any of the companies in the field to start drilling.

Whitney to Exercise Option on Flin Flon

E. H. Walker & Co., of Boston, quote the Engineering and Mining Journal Press, New York, as saying that the option taken by H. P. Whitney, of New York, and associates on the Flin Flon copper property in Northern Manitoba, will be exercised and development on a large scale undertaken. "It is understood," says the article, "that the plans of the purchasers involve an expenditure of approximately $24,000,000, including the purchase price. The smelter and mill to be erected will cost about $15,000,000 and power is to be developed on the Churchill River at a cost of about $4,500,000.

Andes Petroleum Issue Being Offered in Canada

Financing plans of Andes Petroleum Corporation are being completed, and an offering of 300,000 shares of stock is being made in the United States and Canada. Interest attaches to this offering because of the intention of the sponsors to list the shares on the Toronto Exchange unlisted department, in addition to which it will be traded on in several of the principal American markets, including the New York Curb.

A report on the new Venezuela oil fields has been prepared by Dr. L. G. Huntley, a noted geologist, who recently examined the Andes Petroleum Corporation holdings. He states that about 35,000 square miles of the total area in Venezuela lying north of the Orinoco River represents that portion within which it is possible to develop oil production. "This is an area more than thirty times as great as the oil-producing region of Southern California," said Dr. Huntley. "The Maracaibo Basin alone, within which most of the present known pools have been found, contains, roughly, 10,000,000 acres, and not one of the producing pools has been delimited by dry holes. In fact, to state that the development of the Venezuelan oil fields will be the principal foreign activity of the American oil industry of the next decade would only be stating the obvious."

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Value of Mining Stocks

Reader of Financial Post Raises Some Rather Interesting Points — When Are Stocks Too High? — Paper Profits Discussed

Some interesting points are brought out in the following letter to the Mining Editor dealing with profits in mine speculations. On paper the writer has a much larger profit than he had a year ago but at the same time the yield on his money has not increased one iota. In pocket he has not a cent more. He suggests that to-day he is in the same position as the present-day purchaser; he is speculating on a profit above the present level. He raises a point in regard to Nipissing. He is right. It sold up to $30 a share at one time. The reason was the giving of an option on the property at $25 per share. It was never taken up.

Frequently stocks sell above their true position. There are generally two reasons, frequently three. The first is discounting future developments. The second is when the public jumps in on a bull market and carries a stock away above its proper level before they ease up. There were several cases of this in the recent bull market, a few of which were Lake Shore, $13.50; McIntyre, $29.90; Kirkland Gold, $1.40; Teck Hughes, $3.70. The third is manipulation. The trouble is that it is generally hard to tell what influence is at work with a stock until it is all over. The letter:

Mining Editor, Financial Post:

Dear Sir.—Your warning to mining stock purchasers in this week's issue struck me as being a singularly good opening for discussion of the value of mining stocks.

Last spring on your advice I bought some McIntyre and Vipond. On paper it has shown me a profit of nearly 50 per cent. Actually it is worth no more to me in income than it was when I bought it, although Vipond is apparently within a year or so of dividends, depending on the earnings of an enlarged mill, not even completed as yet, and with earnings a matter of estimate only.

I bought the McIntyre expecting and probably with good reason, that they would ultimately double their capacity and perhaps turn out a 4,000 ton proposition. I see no reason for changing my mind.

I am getting a 5.55 per cent. return on my money, then where in a few years there is a chance of doubling, tripling and perhaps when at their maximum quadrupling their dividend why should I be tempted to sell at anything less than thirty or forty dollars a share? Then when I refuse, say twenty-five dollars, am I not taking the same chance as the man offering it and if it is good for me, why not for him?

The highest estimate I have seen of Lake Shore's possible earnings was 100 per cent. Their mine price at $13 per share is two millions above McIntyre at $30 per share. Yet two million profit is under eight per cent. on the present mine valuation, while McIntyre on the basis of present net profits is earning nearly 7 per cent. on a valuation of $30 per share. Lake Shore may have to wait some years to earn 8 per cent. and yet a price of $15 per share is freely predicted. I saw an optimistic statement the other day and it is the highest estimate I have seen, that Teck Hughes would one day pay 40c. a share. If that is a reasonable estimate of their ultimate, then it would only be 10 per cent. on a four dollar per share price and that some years away, with interest in the meantime below that of the banks, and yet you hear talk of $5 to $8 per share price, bringing the mine to nearly half the price of Hollinger as at present.

I have seen no estimates of Kirkland Lake's strike, but would probably think Vipond has more ore above 1,200 ft. than Kirkland Lake has above 2,200, still Vipond is valued on the market at $4,000,000, while Kirkland Lake is valued at $6,250,000.

Is Vipond too low or is Kirkland Lake too high? One or the other must necessarily follow for Vipond has chances between 1,200 and 1,800 feet that Kirkland Lake is not popularly supposed to have.

Of course I realize that these mines are all in the development stage and not like Hollinger where a fair estimate of its great worth is apparent. What the general public needs is not brokers boosting, but a genuine idea of speculative values and what any probable success is likely to yield in dividends and thus in basic price when they are on a maximum producing basis, then they can decide what wait they are willing to take and what to look for, also present holders will have a clearer idea of when to sell, thus checking any undue rise.

Is it not true that Nipissing's great mine as it has been and is, at one time sold far above any real value that it possessed? If this is true, should it not be known and used as a warning to the general public?

I enjoy every part of your paper and would not think of making a speculative investment without your advice.

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An investment of $25.00 in the Howey Red Lake Syndicate increased in value to $14,000.00 in a very few months—a worthwhile speculation. Chukuni Red Lake claims are close to the Howey properties and believed to be on the same "break."

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Getting Food Supplies to the Red Lake Prospectors

Rush to Get in Foods and Materials Before the Spring Break-up —Freight Rate by Aeroplane is 50 Cents a Pound

When there are important and interesting developments in regard to Canada's resources it will be found that The Financial Post is taking an active interest. Just recently W. A. Doner, traveling representative of The Post, was at Hudson and Sioux Lookout getting information about the rush into Red Lake. From Northern Ontario he went to Western Canada and is at present, in company with D. E. Cushing, our mining editor, making a survey of the developments in the new Alberta oil fields in which a great deal of speculative interest has been aroused.

From the North Mr. Doner sent down the accompanying article on solving the food problem of the Red Lake camp, to Canadian Grocer, a sister publication of The Financial Post. The illustrations were snapped by Mr. Doner during his visit.

SIOUX LOOKOUT.—Your special representative after a visit to Hudson, the jumping-off place for mining parties going into the Red Lake District, believes that this comparatively little known town is the logical point for prospectors to equip themselves with food, clothing and all other necessary supplies. The Hudson's Bay Co., who have been supplying intrepid Canadian pioneers since 1670 and who therefore know the peculiar supplies needful for expeditions of this kind, have a well-equipped store and warehouse at this point.

While the Red Lake rush resembles in some ways the great Klondyke stampede, this rush shows the vast strides made in transportation facilities during the past quarter of a century, for here the prospectors can hop aboard an aeroplane and be at the Lake in a few hours, whereas to go by the old-fashioned dogsled method the trip would take over a week. The usual hardships that accompany such an overland journey as this would be, are eliminated by the air trip. The first use of aeroplanes in this district was made last fall when supplies were taken into Red Lake by hydroplane. When the freeze-up came the supplies were taken in by dog team. In February an effort was made to go into the district from McIntosh, a nearby town, by toboggan and horses. This attempt was not successful and they had to return to Hudson, from which point they started their journey all over again. On the way they ran short of supplies and had to have a sack of oats for the horses shipped by aeroplane. It is interesting to note that the cost for freight of this one sack of oats was $102. An attempt was also made to take in supplies by snow-motor, but after going 45 miles they had to abandon this method and resorted to dog teams for the remainder of the journey. The assayer's equipment was included in this expedition's supplies and it was with considerable difficulty that they finally succeeded in arriving with it at Red Lake, finishing the trip by dog team. They also tried to take the recorder's outfit in by snow-motor, but they only got 17 miles with this and had to complete the journey by dog team. On March 6 an expedition left Hudson by Ford caterpillar carrying diamond drills, food and other supplies. There is also en route to Red Lake a portable sawmill which is being drawn by three teams of horses. It is estimated that this journey will take two or three weeks.

The Jack V. Elliot Air Service commenced operations on March 2, taking in passengers, supplies and mail by aeroplane. This method has proven very successful and many experienced prospectors say that though the round trip costs $200, nevertheless this is much cheaper than the old method because of the time saved in making the trip. Baggage or express charges are 50 cents per pound. Air mail is carried daily from Hudson to Red Lake by one of the planes at a rate of 25 cents per ounce.

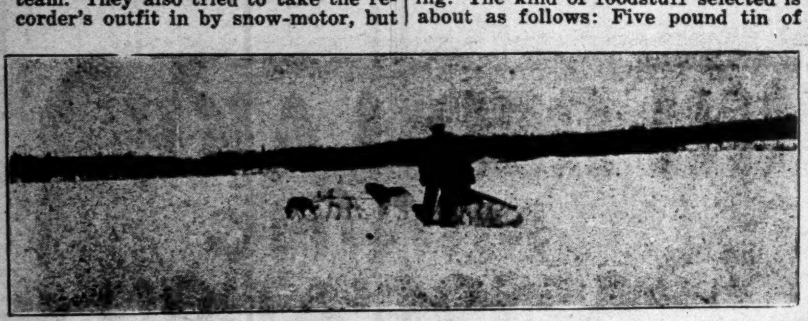
When navigation opens approximately about the first of May, a deluxe boat service will be inaugurated from Hudson to Pineridge over half the way to Red Lake, with flying boats ready for the remainder of the journey. The cost of this will naturally be considerably smaller than the present cost.

There has been no diamond drilling work done as yet, this awaiting the arrival of the necessary equipment which is now en route to Red Lake.

As a rule prospectors travel three together, one man familiar with minerals and two as helpers. They take a tent and carry their supplies in a pack sack, strapped to their backs. The packs will hold from one hundred to two hundred pounds, depending on the character of the goods packed in. Usually there are two or three rifles in the party and fishing outfits, so it is not necessary to take along a great deal of fresh meats as the prospectors figure in "picking off" their fresh meats supplies as they travel along.

In selecting goods for the pack, prospectors are very particular about the quality and will take nothing but the finest grade to be had. This applies equally to foodstuff as well as clothing. The kind of foodstuff selected is about as follows: Five pound tin of powdered milk, five pound package evaporated potatoes, one side of bacon, flour, corn meal, baking powder, tea, coffee, matches, tobacco, beans, lard or some other kind of grease. The cost of each man's food pack runs between $25 and $40 for a one month's supply.

Unloading freight at Hudson, Ontario, for Red Lake.



Prospectors ready to mush the 145 miles from Hudson to Red Lake.

Sixteen Per Cent. Rise in Quarter's Building

East and West Almost Equally Responsible for Rise — March Permits Up 20 Per Cent.

Building operations in Canada for the first quarter of the year exceeded those of the first quarter of last year by $3,123,712 or 16 per cent. The figures were $22,893,624 and $19,769,912. East and West shared the increase.

The figures show an increase over those of March of last year, Eastern Canada being largely responsible for the increase. Details for the month and for the quarter follow:

BUILDING PERMITS ISSUED IN MARCH

Eastern Cities

	Mar. 1926	Mar. 1925	Change	3 Months 1926	3 Months 1925	3 Months Change
Maritimes—						
Halifax	$23,895	$25,945—$	2,050	$52,250	$60,695—	$8,445
St. John	95,218	22,400+	72,818	201,160	17,900+	183,260
Sydney	10,350	5,075+	5,275	15,450	5,375+	10,075
Quebec—						
Montreal	2,048,365	1,331,360+	717,005	6,487,345	4,080,263+	2,407,082
Outremont	18,700	192,600—	173,900	229,450	563,600—	334,150
Quebec	131,675	55,385+	76,290	178,626	136,005+	42,621
Shawinigan Falls	5,875	16,200—	10,325	364,250	252,593+	111,657
Sherbrooke	10,900	15,800—	4,900	24,500	60,500—	36,000
Three Rivers	67,690	70,525—	2,835	167,895	804,525—	636,630
Westmount	143,850	48,150+	95,700	542,550	301,675+	240,875
Ontario—						
Belleville	10,000	11,460—	1,460	16,250	19,335—	3,085
Brantford	7,860	14,790—	6,930	24,400	29,630—	5,230
Chatham	37,550	6,000+	31,550	59,150	6,000+	53,150
Fort William	223,725	31,840+	191,885	243,425	49,650+	193,775
Galt	63,910	1,881+	62,029	68,370	9,081+	59,289
Guelph	53,390	35,000+	18,390	57,290	64,850—	7,560
Hamilton	329,750	397,200+	22,550	540,300	537,550+	2,750
Kingston	9,420	20,276—	10,856	22,116	20,370+	1,746
Kitchener	54,145	139,953—	85,808	109,560	217,413—	107,853
Niagara Falls	228,570	57,525+	171,045	429,445	120,580+	308,865
Ottawa	77,225	141,730—	64,505	126,565	488,947—	362,382
Peterborough	10,560	15,567—	5,007	24,455	21,042+	3,413
Port Arthur	13,250	7,275+	5,975	64,625	12,435+	52,190
Sarnia	52,350	88,736—	36,386	100,232	146,871—	46,639
Sault Ste. Marie	8,955	12,806—	3,851	17,255	15,406+	1,849
Smith's Falls	Nil	4,500—	4,500	Nil	4,775—	4,775
St. Thomas	18,600	229,740—	211,140	24,890	234,145—	209,255
Stratford	11,865	62,280—	50,415	13,850	101,945—	88,095
Toronto	2,164,620	1,865,651+	288,969	4,404,160	4,763,941—	359,781
Welland	13,725	3,790+	9,935	19,955	7,215+	12,740
Woodstock	4,403	4,648—	245	10,080	8,473+	1,607
York Township	402,600	370,100+	32,500	678,300	688,750—	10,450
Border Cities	803,270	598,450+	204,820	1,397,475	1,185,300+	212,175
St. Catharines	23,282	35,455—	12,173	31,242	53,030—	21,788
Total 34 E. Cities	$7,169,543	$5,850,093+	$1,319,450	$16,747,866	$15,089,865+	$1,658,001

Western Cities

	Mar. 1926	Mar. 1925	Change	3 Months 1926	3 Months 1925	3 Months Change
Manitoba—						
St. Boniface	$20,906	$511,780—$	490,874	$70,406	$534,065—$	463,659
Winnipeg	524,200	215,700+	308,500	686,600	421,850+	264,750
Alberta—						
Calgary	149,695	94,800+	54,895	276,118	188,350+	87,768
Edmonton	264,865	47,540+	217,325	320,465	69,205+	251,260
Lethbridge	43,640	29,645+	18,995	58,465	34,366+	24,099
Medicine Hat	1,660	60+	1,600	1,795	205+	1,590
Saskatchewan—						
Moose Jaw	39,775	14,510+	25,265	44,525	31,560+	12,965
Prince Albert	2,600	Nil+	2,600	7,445	1,175+	6,270
Regina	60,469	23,775+	36,694	274,394	56,175+	218,219
Saskatoon	81,290	4,435+	77,485	100,470	24,865+	75,605
Weyburn	Nil	Nil	......	250	Nil+	250
Yorkton	100	Nil+	100	100	8,000—	7,900
British Columbia—						
Nanaimo	17,425	14,415+	3,010	30,025	23,015+	7,010
Point Grey	765,400	561,600+	203,800	1,495,100	1,442,000+	53,100
Prince Rupert	7,950	11,600—	3,650	7,950	11,600—	3,650
Vancouver	808,035	873,215—	65,180	2,582,065	1,666,950+	915,115
Victoria	104,765	70,085+	34,682	189,585	166,666+	22,919
Total 17 W. cities	$2,893,405	$2,473,158+$	420,247	$6,145,758	$4,680,047+	$1,465,711
Grd. total 51 cities	$10,062,948	$8,323,251+	$1,739,697	$22,893,624	$19,769,912+	$3,123,712

BULL MARKET IS OVER IN OPINION OF COLONEL AYRES

Contraction of Business is Indicated by Price Decline

By CAL AYRES,
Vice-President Cleveland Trust Co.

The most important business development of the first quarter of the year has been the termination of the bull market for stocks, and the beginning of a bear market. There is but scant validity in the frequently asserted claims that a serious reverse in the security markets need have no harmful implications for trade and industry, and still less in the assertion that the decline in stock prices will have a stablizing effect on general business. The fact is that business sentiment is better, and constructive initiative is more courageously exercised when security prices are moving up than when they are declining.

Coincidently with the great decline in stock prices there has come a recession in the phenomenal real estate boom in Florida, and reports are beginning to appear of a similar slowing down in the minor real estate booms that have been under way in the suburban sections of many of the large cities. Nevertheless, building construction is going forward in large volume. In Florida there has been a marked decline in speculative land values, but in most localities in that state more new building is now actually under way than was the case at this time last year.

In the country as a whole the more important indicators of trade and industrial activities show that general business has been going forward at prosperity levels during the first quarter of this year. Steel production, car loadings, automobile output, bank clearings, and building construction have made new first quarter high records. Employment totals have been well maintained. Failures have been a little more numerous than last year, and wholesale commodity prices, in continuing to decline, have constituted the one really serious weak spot in the general situation. The evidence begins to indicate that industry has been holding up better than wholesale and retail trade, and it may be that production is beginning to run somewhat ahead of consumption.

The slowing down of speculation in securities and in real estate has given a more sober tone to general business. Industry is very active, employment is good, agricultural prospects are promising, and trade is better than fair. In general it may be said that business during the first quarter has been good in most lines, and that it begins the second quarter at a pace that is distinctly moderated from the high speed of the closing months of 1925, but which is nevertheless, fairly satisfactory.

During the past four years a great nation-wide building boom has been under way, and it seems entirely probable that it must soon begin to subside somewhat if it has not already begun to do so. When the volume of building construction moves to lower levels it is sure that the number of real estate conveyances will decline also.

Probably the most important result of such a development will be a considerably increased demand for good corporation and municipal bonds. It seem likely that this influence may be felt before the end of the current year, and if this happens it should be reflected in advancing prices for rail, utility, industrial, municipal and government bonds.

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